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OCTOBER 1987

OREGON LABOR TRENDS

SEPTEMBER INDICATORS

UNEMPLOYMENT RATE

Oregon		(Seas. Adj)
Sept.	1987	6.3
Aug.	1987	6.1
Sept.	1986	8.4
U.S.		
Sept.	1987	5.9
Aug.	1987	6.0
Sept.	1986	7.0

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1977=100	
Sept.	1987	117.0
Aug.	1987	117.3
July	1987	117.7
June	1987	116.8
May	1987	116.4

DIFFUSION INDEX

Oregon		
Sept.	1987	53.5
Aug.	1987	60.9
July	1987	64.7
June	1987	64.7
May	1987	60.9

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon		
Aug.	1987	$10.42
July	1987	$10.41
Aug.	1986	$10.31

CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

Portland-Vancouver	
July 1987	321.6
Yearly change	1.6%
Annual Average 1986	316.8
Yearly change	1.4%
U.S.	
Sept. 1987	344.4
Yearly change	4.3%
Annual Average 1986	328.4
Yearly change	1.9%

Portland Hotline 221-4132

THE CASE OF THE PURLOINED MONTH

Duane Ackerson

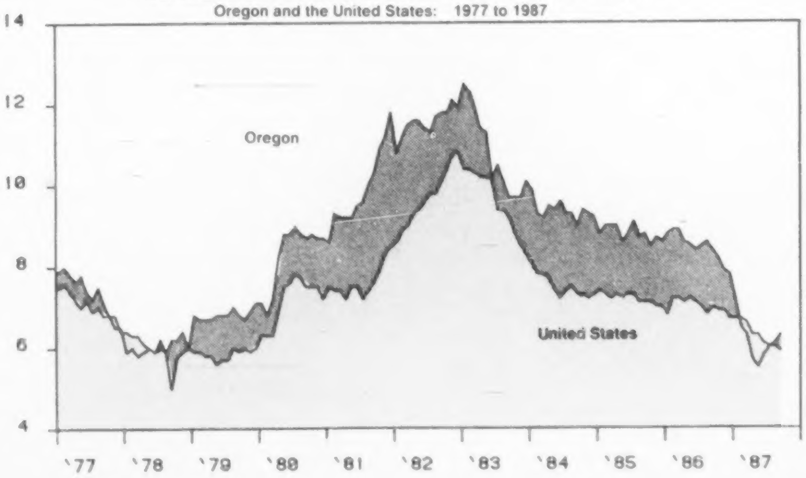
With, as this is being written, only a few shopping days till Halloween, it's time to give some thought to Edgar Allen Poe. In Poe's detective story, "The Purloined Letter," the culprit decides that the best way to conceal a stolen letter is to hide it in plain sight. In some ways, this is what happened to a certain amount of September's employment, especially in the government sector. In this sector, there were substantial increases and decreases in employment, but not all of these show in the estimate.

One cause of increased employment was an unwelcome one: 8,300 fire fighters were engaged in fighting the largest number of forest fires to strike the State in decades, recalling shades of the Tillamook burn. The Silver Complex fires, located (if a fire can be "located") about 25 miles west of Grants Pass in Southern Oregon, spread to the North Kalmiopsis Roadless area, and have ignited controversy as well as timber. Environmentalists are strongly opposed to building roads into this area to cut the burned timber, which is still usable and will eventually rot if not logged. They are concerned about side effects, that logging activity will increase the washout from fire-stripped hillsides into salmon spawning beds. A long dry season may further complicate logging efforts in other, non-wilderness areas of the State as well; access to the woods is currently restricted in many places due to extreme fire hazard. In the next several months, this curtailed activity could impact lumber and wood products employment and even, eventually, if mill backlogs(no pun) are depleted, home construction; the latter is presently enjoying a resurgence in single family housing units, especially in the Portland area.

At present (or, at any rate, during last month), there was a temporary loss of 1,500 jobs in lumber and wood products caused by the fires. This, and the fact that out-of-state fire fighters' employment was attributable to their home states, meant that the count of Oregon fire fighters, in the balance, didn't increase that much over earlier years.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES *

Oregon and the United States: 1977 to 1987



*Civilian labor force only

Another important event affecting government employment also didn't cause a ripple in the employment estimate. This was the Oregon Public Employees Union strike, a "rolling" strike that took place September 16-24, and resulted at one point in over 5,000 state employees being out on strike. However, since the strike occurred after the week of the twelfth, the week of data sampling the Employment Division uses in doing employment estimates, these workers were counted as employed.

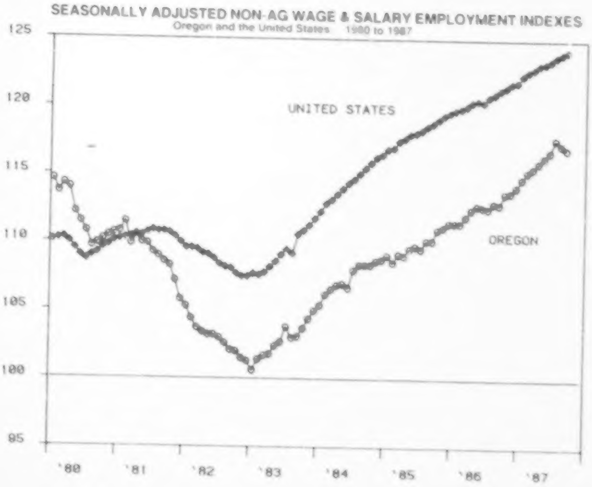
On the national level, the current economic recovery, entering its 60th month in September, broke the endurance record of the 1975-80 upturn. (Remember? The one just before the 1980-82 collapse?) David Wyss, an economist for Data Resources Inc., was quoted (in the Oct. 1, 1987 edition of **The Oregonian**) as saying that "this is the longest economic expansion we have seen since the 1960s, but we were also starting from the deepest depression we have seen since the 1930s."

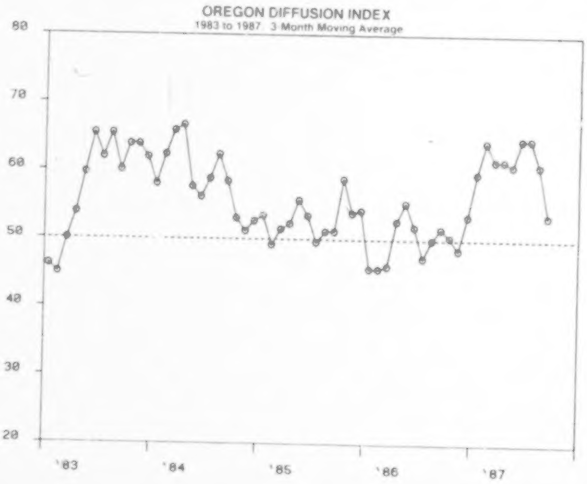
On the state level, this expansion was most apparent in the "high tech" sector, which has shown steady employment growth through 1987, and apparently has greater things ahead, judging from recent announcements. In recent weeks, several large, Japanese-based electronics firms have announced construction and expansion plans. NEC America Inc. plans a $30 million addition to its Hillsboro plant in 1988-89. This 200,000 square foot expansion will eventually boost total employment to almost 1,000 by 1992. Current employment at the Hillsboro plant is about 340. Epson Portland, Inc. will begin construction soon on an 81,000 square foot expansion to a plant also located near Hillsboro; this expansion will result in 100 more jobs by the end of the year. And Fujitsu America Inc. also announced plans to construct a $30 million facility to eventually employ 500 people at Hillsboro. The Hillsboro plant add-on will produce printed circuit board assemblies, tape drives, and other electronic products. Still another subsidiary of Fujitsu Limited of Tokyo, Fujitsu Microelectronics Inc., announced plans to build a $70 million semiconductor plant in Gresham. This 100,000 square foot structure will house Fujitsu's first U.S. semiconductor wafer fabrication plant. When the first phase of the FMI plan is completed in two years, 350 people will work in this plant; eventually, FMI plans to develop the 200 acre plant site into a $130 million operation employing a small city: 2,800 people.

In short, September had its share of events, from forest fires to a state employees strike to announced plans for new or expanded microelectronics plants, that are likely to have a long-term effect on Oregon's economy. In looking at some of the major industrial sectors, we see that government is once more at the forefront, but on a more routine level; this sector gained 10,100 workers as education support personnel increased by 12,000 with the start of another school year. Total manufacturing was down 1,300 from the month before, largely due to the effect, mentioned earlier, of forest fires on lumber and wood products employment. Other durable goods industries were characterized by either stability or slight gains. Within nondurables, preserved fruits and vegetables conspired to produce a drop of 500 in food and kindred products. Within nonmanufacturing, construction, as mentioned earlier, showed strength, and is 1,500 above last year. Trade also made good gains, with an increase of 1,900 over the month. In services, hotels and lodging places declined by 1,000 from August, but this decrease was from a summer of record employment levels.

The September payroll job count of 1,112,000 was a new high point for Oregon, and annual average wage and salary employment will probably also reach a record high in 1987. However, since new jobs were growing at a rate below expectations for this time of year, all employment-related economic indicators fell. The Oregon unemployment rate, seasonally adjusted, was up to 6.3% from 6.1% in the previous month. The nonfarm employment index fell very slightly (from 117.3 to 117.0) month-to-month (not exactly a cry for month-to-month resuscitation, but a sinking of sorts), and the diffusion index dropped 7.4 points from 60.9 to 53.5, the lowest it's been so far in 1987.

A haunting thought, looking at some of the tricks the figures played this month of Trick or Treat: numbers, in this age of "high tech" which makes quantifying everything so seductively easy, do not begin to tell us everything. This is not to deny they can tell us much, including the fact that there are things beyond their scope. As Hamlet reminds his friend after spying a ghost, "there are more things in heaven and earth, Horatio, than are dreamt of in your philosophy." The spectres of other possibilities lurk around the edges of our logic. Larger or smaller numbers of people employed in various places, times, and occupations don't tell us whether the jobs being counted so carefully and methodically are productive, gainful, secure, or, perhaps most important, satisfying. If not, our own lives as workers may have been purloined: stolen and replaced with something less than adequate. ☐


SEASONALLY ADJUSTED NON-AG WAGE & SALARY EMPLOYMENT INDEXES
Oregon and the United States 1980 to 1987


OREGON DIFFUSION INDEX
1983 to 1987 3 Month Moving Average

RESIDENT OREGON LABOR FORCE

	SEPT.[1] 1987	AUG.[2] 1987	CHANGE	%CHANGE	SEPT.[5] 1986
CIVILIAN LABOR FORCE[3]	1,368,200	1,365,300	2,900	0.2	1,355,400
UNEMPLOYMENT	73,600	73,500	100	0.1	97,900
PERCENT OF LABOR FORCE	5.4	5.4	XXX	XXX	7.2
SEASONALLY ADJUSTED PERCENT	6.3	6.1	XXX	XXX	8.4
TOTAL EMPLOYMENT[4]	1,294,600	1,291,800	2,800	0.2	1,257,500

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1986 and January 1987, data for 1987 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

				CHANGE FROM	
INDUSTRY	SEPT.[1] 1987	AUG.[2] 1987	SEPT. 1986	AUG. 1987	SEPT. 1986
TOTAL[3]	1,112,000	1,103,600	1,073,800	8,400	38,200
WAGE & SALARY EMPLOYMENT INDEX[4]	117.0	117.3	112.9	XXX	XXX
DIFFUSION INDEX[5]	53.5	60.9	51.6	XXX	XXX
TOTAL MANUFACTURING	211,000	212,300	206,500	-1,300	4,500
DURABLE GOODS	145,100	150,100	144,600	-1,000	4,500
LUMBER & WOOD PRODUCTS	67,700	69,200	66,400	-1,500	1,300
LOGGING & SAWMILLS	34,400	35,800	34,600	-1,400	-200
VENEER & PLYWOOD	17,700	17,700	16,800	0	900
MILLWORK & STRUCTURAL WOOD	10,200	10,200	9,900	0	300
MOBILE HOMES	1,600	1,600	1,400	0	200
OTHER WOOD PRODUCTS	3,800	3,900	3,700	-100	100
FURNITURE AND FIXTURES	2,400	2,400	2,700	0	-300
STONE, CLAY, GLASS & CONCRETE	3,600	3,600	3,600	0	0
PRIMARY METALS	9,500	9,400	8,400	100	1,100
BLAST FURNACES, IRON & STEEL	5,700	5,600	5,200	100	500
NONFERROUS METALS	3,800	3,800	3,200	0	600
FABRICATED METALS	11,000	10,900	10,500	100	500
FABRICATED STRUCTURAL METALS	4,900	4,900	4,500	0	400
OTHER FABRICATED METALS	6,100	6,000	6,000	100	100
MACHINERY	15,100	15,100	14,500	0	600
ELECTRICAL EQUIPMENT & SUPPLIES	13,700	13,600	13,100	100	600
TRANSPORTATION EQUIPMENT	10,900	10,700	10,600	200	300
INSTRUMENTS & RELATED PRODUCTS	12,000	12,000	12,200	0	-200
MISCELLANEOUS MANUFACTURING	3,200	3,200	2,600	0	600
NONDURABLE GOODS	61,900	62,200	61,900	-300	0
FOOD & KINDRED PRODUCTS	29,300	29,800	31,100	-500	-1,800
CANNING & PRESERVING	18,700	19,200	20,400	-500	-1,700
OTHER FOOD PRODUCTS	10,600	10,600	10,700	0	-100
TEXTILE MILL PRODUCTS	1,700	1,700	1,400	0	300
APPAREL	2,300	2,300	2,300	0	0
PAPER & ALLIED PRODUCTS	9,200	9,100	9,100	100	100
PRINTING & PUBLISHING	12,400	12,400	11,800	0	600
CHEMICALS & ALLIED PRODUCTS	2,100	2,100	2,100	0	0
PETROLEUM REFINING	500	500	400	0	100
RUBBER & PLASTIC PRODUCTS	3,900	3,800	3,300	100	600
LEATHER PRODUCTS	500	500	400	0	100
TOTAL NONMANUFACTURING	901,000	891,300	867,300	9,700	33,700
MINING & QUARRYING	1,500	1,500	1,500	0	0
CONSTRUCTION	39,200	40,100	37,700	-900	1,500
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	57,700	57,800	57,900	-100	-200
TRANSPORTATION	36,500	36,500	36,500	0	0
RAILROAD	4,100	4,200	4,300	-100	-200
TRUCKING & WAREHOUSING	21,400	21,700	21,100	-300	300
OTHER TRANSPORTATION	11,000	10,600	11,100	400	-100
COMMUNICATIONS	12,600	12,600	12,800	0	-200
UTILITIES	8,600	8,700	8,600	-100	0
TRADE	286,700	284,800	274,600	1,900	12,100
WHOLESALE TRADE	71,500	71,100	69,400	400	2,100
DURABLE GOODS	41,900	41,700	40,000	200	1,900
NONDURABLE GOODS	29,600	29,400	29,400	200	200
RETAIL TRADE	215,200	213,700	205,200	1,500	10,000
GENERAL MERCHANDISE	27,300	27,000	26,000	300	1,300
FOOD STORES	36,100	35,800	32,900	300	3,200
AUTO DEALERS & SERVICE STATIONS	26,000	26,200	25,800	-200	200
OTHER RETAIL TRADE	125,800	124,700	120,500	1,100	5,300
FINANCE, INSURANCE, & REAL ESTATE	73,100	73,800	71,100	-700	2,000
BANKING & CREDIT AGENCIES	23,800	23,900	23,900	-100	-100
OTHER FINANCE, INSURANCE, & REAL ESTATE	49,300	49,900	47,200	-600	2,100
SERVICES	246,000	246,600	233,900	-600	12,100
HOTELS & PERSONAL SERVICES	27,500	28,500	26,500	-1,000	1,000
HEALTH SERVICES	76,300	76,100	73,900	200	2,400
OTHER SERVICES	142,200	142,000	133,500	200	8,700
GOVERNMENT	196,800	186,700	190,600	10,100	6,200
FEDERAL GOVERNMENT	30,700	31,000	29,200	-300	1,500
STATE GOVERNMENT	54,200	54,500	51,000	-300	3,200
EDUCATION	19,500	19,200	18,900	300	600
OTHER STATE	34,700	35,300	32,100	-600	2,600
LOCAL GOVERNMENT	111,900	101,200	110,400	10,700	1,500
EDUCATION	66,600	54,900	66,600	11,700	0
OTHER LOCAL	45,300	46,300	43,800	-1,000	1,500
LABOR - MANAGEMENT DISPUTES	100	100	800	0	-700

1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's Annual Average Employment (774,300) and that of 1977 (936,900).

5/ The Diffusion Index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

HOURS & EARNINGS - A FEW WORDS ABOUT FOOTNOTES

Jason Yohannan

Hours & earnings figures published in **Oregon Labor Trends** generally represent most, but not all, of the workers in a given industrial classification. As can be seen from the footnotes in this month's hours & earnings table, statistics for the manufacturing and construction industries chart data for production workers only. (In construction, a "production" worker is actually a "construction" worker.) For communications & utilities, trade, and banking & insurance, numbers published illustrate averages for nonsupervisory workers only. In the case of state & local government, the weekly earnings computations are averages of all employees' pay.

Knowing that, it would be helpful to understand how the industries compare and contrast in terms of coverage (i.e. the ratio of production workers to all employees). An accompanying table does exactly that. Notice that many industries tend to cluster around the three-fourths coverage level.

Two other aspects of the table are noteworthy. First, each industry's coverage ratio has moved very little since 1985. The average number of production workers reporting to a supervisor or an executive, for example, hasn't appeared to change much recently, regardless of which sector of the economy one turns to.

Second, the ratios vary greatly among industries. It is this fact as much as any other which distinguishes the "high-technology" industries, in that large proportions of employees of high-tech firms are involved in researching and developing new industrial products or technologies, rather than producing or assembling finished goods. (See the November 1983 **Monthly Labor Review** for more information about this issue.) These R & D occupations are also relatively well-compensated at many companies. The various electronics-related industries in Oregon (machinery/electrical equipment/instruments) are correctly identified as high-tech. Other industries found to be very technology-oriented nationally include chemicals (especially the portions related to pharmaceuticals), petroleum refining, weaponry manufacturing, transportation equipment such as aircraft and space vehicles, and parts of the services industry related to research and development labs or data processing services.

In Oregon, this concept of high-tech is reflected in the table. Some of the lowest production worker ratios show up in instruments (about 40%), electrical equipment (63%), and machinery (55%). Indeed, the computer/calculator manufacturing portion of machinery has a ratio of under 40%.

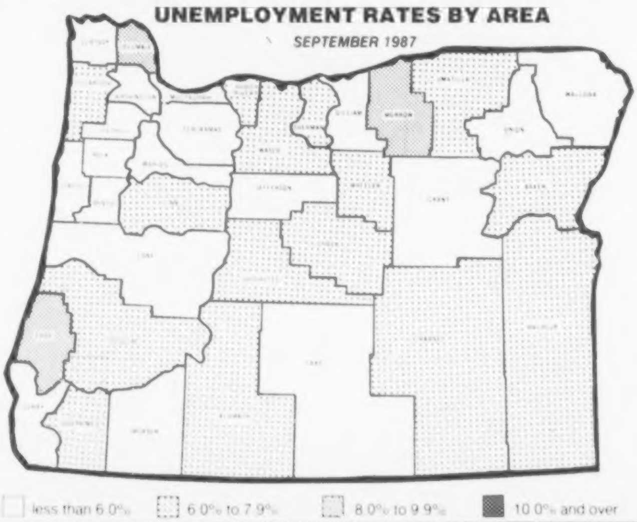
Other industries with low production worker ratios include other food products and printing & publishing. One explanation for low ratios in these sectors is that many employees there are involved in distributing finished goods after production is completed. This would be especially true in the bakery and beverage portions of other food products or the newspaper portion of printing & publishing.

It is useful to keep these concepts in mind when using or analyzing hours & earnings statistics. An average for retail trade or lumber & wood is fairly universal; while an average for a high-tech category represents only a select portion of the industry. □

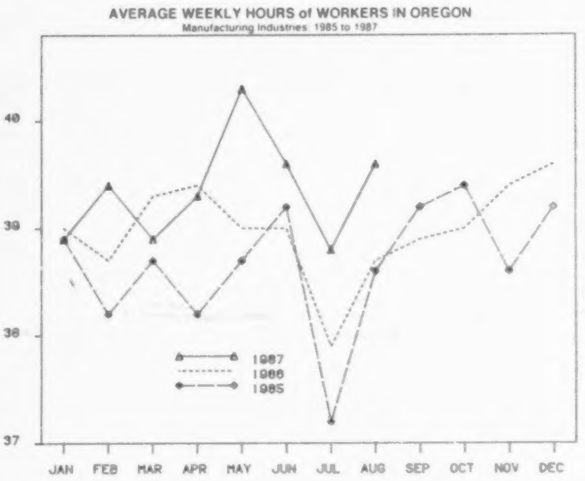
Hours & Earnings Employee Coverage Ratios for Selected Industries 1/
Sorted by 1986 Annual Averages

INDUSTRY	1985	1986	August 1987
Lumber & Wood Products	89	89	89
Retail Trade	88	89	88
Canning & Preserving	89	88	91
Apparel	82	85	84
Miscellaneous Manufacturing	77	81	81
Wholesale Trade	80	79	81
Furniture & Fixtures	80	79	82
Banking & Insurance	79	79	79
Paper & Allied Products	76	79	80
Transportation Equipment	76	77	78
Stone/Clay/Glass/Concrete	78	75	75
Construction	75	75	77
Communications & Utilities	75	75	75
Fabricated Metals	74	75	74
Other Nondurables	74	73	75
Primary Metals	68	67	69
Other Food Products	65	65	63
Electrical Equipment	65	63	62
Printing & Publishing	58	57	60
Textile Mill Products	56	56	60
Machinery	55	55	56
Instruments & Related	41	40	40
TOTAL MANUFACTURING	74	74	76

1/ The table score represents the percent of total employment in the given industry which is represented by the published hours & earnings figures (i.e., the production or nonsupervisory worker ratio).

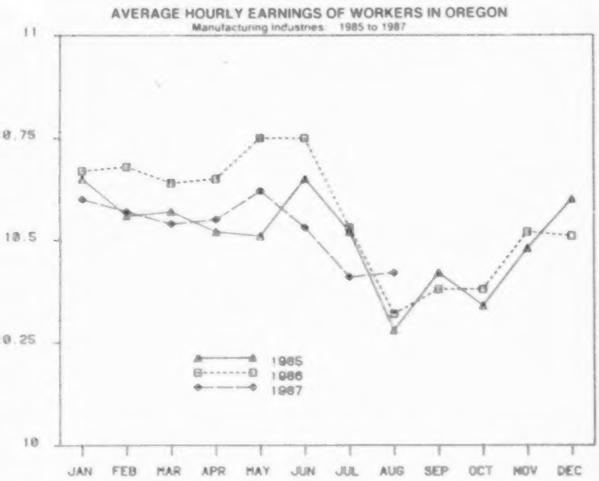


UNEMPLOYMENT RATES BY AREA
SEPTEMBER 1987



AVERAGE WEEKLY HOURS of WORKERS IN OREGON

Manufacturing Industries: 1985 to 1987



AVERAGE HOURLY EARNINGS OF WORKERS IN OREGON

Manufacturing Industries: 1985 to 1987

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Aug.[2] 1987	July[3] 1987	Aug. 1986	Aug.[2] 1987	July[3] 1987	Aug. 1986	Aug.[2] 1987	July[3] 1987	Aug. 1986
TOTAL MANUFACTURING[4]	$412.63	$403.91	$399.00	39.6	38.8	38.7	$10.42	$10.41	$10.31
Durable Goods	427.43	415.28	411.67	40.4	39.4	38.8	10.58	10.54	10.61
Lumber & Wood Products	433.90	407.90	416.13	40.4	38.3	39.0	10.74	10.65	10.67
Logging & Sawmills	459.55	428.26	436.25	40.1	37.6	38.1	11.46	11.39	11.45
Veneer & Plywood	426.62	393.02	414.86	41.1	37.9	40.2	10.38	10.37	10.32
Millwork & Structural	375.56	379.05	355.60	41.0	41.7	40.0	9.16	9.09	8.89
Mobile Homes	313.71	304.51	337.26	36.1	36.6	39.4	8.69	8.32	-8.56
Other Wood Products	420.55	398.04	417.20	39.9	38.2	39.1	10.54	10.42	10.67
Furniture & Fixtures	319.23	347.23	317.20	36.4	36.9	39.6	8.77	9.41	8.01
Primary Metals	507.36	504.84	464.13	42.0	42.0	39.4	12.08	12.02	11.78
Fabricated Metals	397.54	381.12	382.78	40.4	39.7	39.3	9.84	9.60	9.74
Machinery (Ex Electrical)	446.72	437.49	426.69	40.5	39.7	38.2	11.03	11.02	11.17
Nondurable Goods	379.00	374.60	367.68	37.9	37.2	38.3	10.00	10.07	9.60
Food & Kindred Products	287.92	292.23	295.68	36.4	35.9	38.4	7.91	8.14	7.70
Canning & Preserving	239.63	246.39	249.28	35.5	34.9	38.0	6.75	7.06	6.56
Other Food Products	411.77	407.90	414.75	38.7	38.3	39.5	10.64	10.65	10.50
Textile Mill Products	214.02	213.48	217.43	34.8	34.6	34.9	6.15	6.17	6.23
Apparel	223.94	223.48	199.94	37.2	37.0	35.2	6.02	6.04	5.68
Paper & Allied Products	652.68	654.46	614.48	42.0	41.5	40.4	15.54	15.77	15.21
Printing & Publishing	458.89	419.40	435.34	37.8	36.0	36.8	12.14	11.65	11.83
Construction[4]	491.40	491.14	504.15	36.4	36.3	37.4	13.50	13.53	13.48
Communications & Utilities[5]	516.89	510.72	507.55	40.7	39.9	40.8	12.70	12.80	12.44
Trade[5]	301.54	291.21	291.83	34.7	34.1	34.7	8.69	8.54	8.41
Wholesale Trade	407.25	388.00	395.93	37.5	36.5	37.6	10.86	10.63	10.53
Retail Trade	250.08	245.85	242.48	33.3	33.0	33.4	7.51	7.45	7.26
Banking & Insurance[5]	326.47	304.03	301.63						
State & Local Government	388.31	386.72	375.90						

1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

AVERAGE ANNUAL PAY BY STATE AND INDUSTRY, 1986

Jeff Hannum

The average annual pay of U.S. workers covered by State and Federal Unemployment Insurance (UI) programs increased by 4.0% to $19,966 in 1986, according to preliminary data recently released by the Bureau of Labor Statistics of the U.S. Department of Labor.

Annual pay data are compiled from tax reports submitted by employers under UI programs covering over 98 million full-time and part-time workers. Average pay is computed by dividing total annual payrolls of employers covered by UI programs by average monthly employment for these employees. Pay data are not adjusted for inflation.

Industries

Average annual pay varies widely by industry. For example, in Oregon the highest paid workers ($24,722) were employed in transportation, communication and utilities. Oregon retail trade workers, many of whom work only part-time, earned the lowest average annual pay ($10,821). Average pay increased in all major industrial categories between 1985 and 1986. The weakest income gains came in construction (0.8%), a sector still recovering from the last recession. Finance, insurance and real estate workers enjoyed the largest jump in average pay (7.4%) in 1986. A major contributing factor was last year's high volume of transactions in the stock market which caused average pay in the Oregon securities industry to soar by 20% to about $51,000. The following table shows average pay in 1986 by major industrial category and the percent change from 1985 to 1986.

Mining	$24,641	3.5%
Construction	$21,065	0.8%
Manufacturing	$23,763	3.9%
Transp.,Comm. & Util.	$24,722	3.0%
Wholesale Trade	$22,999	2.3%
Retail Trade	$10,821	1.7%
Fin., Ins. & R.E.	$19,606	7.4%
Services	$15,424	2.2%
Government	$20,463	4.0%

Metropolitan Areas

The average pay for workers in nearly 300 metropolitan areas in the U.S. last year was $20,691, an increase of 4.2% Annual pay in all four of Oregon's major metropolitan areas was less than the U.S. average. This can be due to several factors including:

- the ratios of full-time to part-time workers
- the mix of industries and occupations
- extent of unionization
- the rates of local inflation, which in part reflect the relative strength of the economy in each area.
- the extent of UI coverage in Oregon versus other states. (UI coverage is very broad and basically comparable from state to state. Last year, 90% of total civilian employment in the U.S. was under UI coverage.)

U.S. average (nearly 300 areas)	$20,691	4.2%
Eugene-Springfield MSA	$17,065	1.4%
Medford MSA	$16,853	2.0%
Portland PMSA	$19,935	3.7%
Salem MSA	$16,311	3.0%

States

Average annual pay increased in all states except Alaska between 1985 and 1986, reflecting continued economic expansion and low to moderate rates of inflation in each state. Oregon's rate of increase in average pay (2.7%) was below the U.S. average (4.0%), but above the rate of consumer price inflation in the 1985-86 period (U.S. CPI-U rose 1.9%; Portland area CPI-U rose 1.4%).

In terms of actual level of average annual pay, Oregon placed in the middle of the pack at $18,322. Alaska ($28,442) and South Dakota ($14,477) once again represented the high and low ends of the spectrum. □

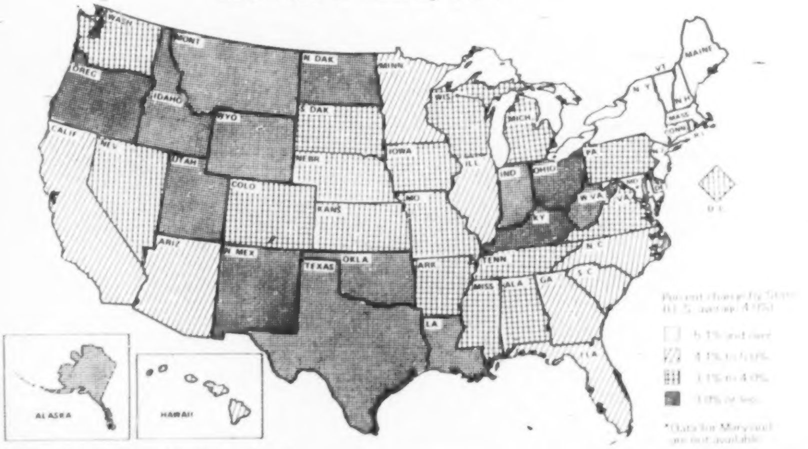
AVERAGE ANNUAL PAY IN 1986

	1986	1985-86 Percent Change
United States	$19,966	4.0
Alabama	17,638	3.6
Alaska	28,442	-0.9
Arizona	18,870	4.6
Arkansas	16,162	3.9
California	21,995	5.0
Colorado*	20,275	3.6
Connecticut	22,516	6.1
Delaware	19,639	2.6
District of Columbia	27,137	3.7
Florida	17,679	4.2
Georgia	18,746	4.6
Hawaii	18,101	4.4
Idaho	16,602	1.5
Illinois	21,452	4.1
Indiana	19,024	2.8
Iowa	16,598	3.1
Kansas	17,934	3.5
Kentucky	17,357	2.5
Louisiana	18,290	0.4
Maine	16,326	5.8
Maryland**	20,121	**
Massachusetts	20,925	6.6
Michigan	22,720	3.8
Minnesota	19,630	4.3
Mississippi	15,420	3.1
Missouri	18,915	3.1
Montana	16,085	1.0
Nebraska	16,106	3.1
Nevada	18,739	3.1
New Hampshire	18,303	6.4
New Jersey	22,309	5.8
New Mexico	17,301	1.8
New York	23,200	5.9
North Carolina	17,001	4.8
North Dakota	15,778	1.2
Ohio	19,902	2.4
Oklahoma	18,345	0.8
Oregon	18,322	2.7
Pennsylvania	19,404	4.0
Rhode Island	17,733	5.2
South Carolina	16,600	4.1
South Dakota	14,477	3.5
Tennessee	17,661	4.0
Texas	19,934	1.6
Utah	17,863	1.6
Vermont	16,857	5.2
Virginia	18,972	3.9
Washington	19,645	3.6
West Virginia	18,405	2.2
Wisconsin	18,202	3.5
Wyoming	18,969	0.1

* Data for third and fourth quarters are estimated.

** Comparable data for Maryland for 1985 are not available.

Percent Change in Average Annual Pay from 1985 to 1986 by State



Source: U.S. Department of Labor, Bureau of Labor Statistics

LABOR SURPLUS AREAS

Arthur Ayre

Labor surplus areas are areas with high unemployment rates to which Federal procurement contracts can be directed. Rather than classifying these areas by metropolitan area or by labor market area, the U.S. Department of Labor classifies them on the basis of civil jurisdictions. At present these are defined as all cities with a population of at least 25,000 and all counties.

A civil jurisdiction is classified as a labor surplus area when its average unemployment rate is at least 20% above the average unemployment rate for all states during the previous two calendar years. Two exceptions may occur during periods of high or low national unemployment. During periods of high national unemployment (i.e. a rate above 8.3%), an area is classified as a labor surplus area if its average rate is 10% or more. During periods of low national unemployment (i.e. a rate below 5.0%), a 6.0% 'floor' comes into effect. No area with an unemployment rate of less than 6.0% would be considered a labor surplus area.

Under certain exceptional circumstances, an area not meeting any of the above criteria may be considered a labor surplus area if a significant increase in unemployment takes place which is not reflected in the rate for the previous two years.

In 1985-86, the average unemployment rate for the U.S. was 7.2%. Therefore, the qualifying rate for labor surplus areas is 8.6% (1.2 times 7.2%). The following table lists 33 areas in Oregon which were designated labor surplus areas by the U.S. Department of Labor for the period October 1, 1987 to September 30, 1988. Employers located in any of these areas, or which agree to carry out a substantial portion of the contract in a labor surplus area, currently qualify for bidding preference on certain Federal procurement contracts.

Employers interested in bidding on Federal contracts should consult the **Commerce Business Daily** which lists Federal contracting requirements and indicates those to be awarded under preference procedures. The Seattle Business Service Center of the General Services Administration can provide additional information concerning Federal contracting opportunities in Alaska, Idaho, Oregon and Washington.

Contact:

General Services Administration
2413 GSA Center
Auburn, WA 98001
Attn: Wiletta Brown
Ph. (206) 931-7957

Oregon Labor Surplus Areas
Eligible for Federal Procurement Preference
October 1, 1987 through September 30, 1988.

Albany City in Linn County
Baker County
Columbia County
Coos County
Crook County
Curry County
Deschutes County
Douglas County
Grant County
Harney County
Hood River County
Jackson County less Medford City
Jefferson County
Josephine County
Klamath County
Lake County
Lane County less Eugene and Springfield Cities
Lincoln County
Linn County less Albany City
Malheur County
Marion County less Salem City
Medford City in Jackson County
Morrow County
Portland City in Clackamas, Multnomah, and Washington Counties
Sherman County
Springfield City in Lane County
Tillamook County
Umatilla County
Union County
Wallowa County
Wasco County
Wheeler County
Yamhill County

JSEC SEMINARS FOR EMPLOYERS

Local Job Service Employer Committees have scheduled the following seminars for employers during November:

Topic: **HOW THE NEW IMMIGRATION LAW AFFECTS YOU**

Description: This seminar will cover what employers need to know about the new immigration law including:
- guidelines to follow when hiring employees
- responsibilities of employers, employees and job applicants
- verification and record keeping requirements
- what to do if an employee or applicant is an illegal alien
- penalties and sanctions
- non-discrimination rules under the Immigration Act

Location: County Extension Services, 3228 Vandenberg Road, Klamath Falls.

Time: November 12, 1987 - 1:00 PM to 5:00 PM

Topic: **WORKERS' COMPENSATION, A WALK THROUGH THE NEW LAW**

Description: Joseph Brislin, an attorney for the Timber Operators Council, will discuss the new workers' compensation law including ways to reduce employer's costs. Active involvement in injury prevention and claims management are the keys to lower costs.

Locations:
- Holiday Inn, Portland Airport
  November 17, 1987 - 8:00 AM to 12:00 noon
- Holiday Inn, Wilsonville
  November 18, 1987 - 7:15 to 11:30 AM
- Chumaree Comfortel, Salem
  November 19, 1987 - 7:30 AM to 1:00 PM

Topic: **UNEMPLOYMENT INSURANCE**

Description: This seminar will cover legislation affecting employers, the UI claims process, and how employers can prepare for claims hearings and lower thier UI insurance costs.

Location: Red Lion Inn, 200 N. Riverside, Medford.

Time: November 18, 1987 - 8:00 AM to 3:30 PM

For more information on these or other JSEC seminars, including any registration fees, please call Dorothy Monnier at (503) 378-4446 in Salem, Oregon.

EMPLOYERS' CORNER

Dorothy Monnier

COMMITMENT TO QUALITY

The Oregon Employment Division knows that the success of your business depends on the quality of your product or service. Hiring the best possible employees is of prime importance in maintaining that quality. Our Employment Service staff is committed to meeting your need for qualified applicants to fill your job openings.

LOCAL, STATEWIDE, AND NATIONAL RECRUITMENT

Our local, statewide, and national recruitment capabilities make it possible to find qualified workers for you. We save you interviewing time by screening applicants prior to referral. Only those applicants who meet your job specifications will be referred to you for your consideration. Employment Service staff screen and refer applicants without regard to their race, color, national origin, sex, age, marital status or religion.

OTHER SERVICES AVAILABLE AT YOUR EMPLOYMENT SERVICE

AFFIRMATIVE ACTION - We understand the affirmative action requirements placed on employers. Our efforts can assist employers seeking qualified applicants who meet affirmative action needs.

VETERANS SERVICES - Veterans Administration approved on-the-job training or apprenticeship programs can be arranged with our help. We also offer assistance to federal contractors in meeting their veteran-related affirmative action goals.

PROFESSIONAL PLACEMENT SERVICE - The Professional Placement Service (PPS) is an expansion of our normal placement services. PPS staff in Salem, Portland, Eugene and Springfield work exclusively with professional, technical and managerial job seekers and job openings. They offer a personalized service which provides employers with applicant resumes and additional recruitment where necessary.

TARGETED JOBS TAX CREDIT (TJTC) - Tax-paying businesses can receive tax credits under this Federal program. The credit is received for hiring members of specific targeted groups. Employers must request certification of the person's eligibility for TJTC in writing on or before the day the person begins work.

BONDING - We can provide fidelity bonding for qualified workers in permanent, full-time jobs when the inability to obtain bonding is the only barrier to employment. Paper work is minimal. Upon approval, coverage is effective within a few days. All costs are borne by the Federal government.

LABOR MARKET INFORMATION - The Employment Division is a major source of national, state and local economic data. We provide information on a variety of labor market topics such as economic trends, available labor force, employment and demographic projections, occupational supply/demand analysis, wages and local economic development information.

FURTHER INFORMATION - For more detailed information on these and other services available to you, please contact your local Employment Division office. They are listed in the telephone directory under State of Oregon. ☐

OREGON LABOR TRENDS

OREGON LABOR TRENDS is published monthly by the Research and Statistics Section of the Oregon Employment Division, W. E. Hunter, Administrator.

Send comments, questions, and address changes ATTN: Jeff Hannum, R&S-LMI or Phone (503) 378-2736 or toll free 1-800-237-3710 ext. 8-8657.

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DEPARTMENT OF HUMAN RESOURCES
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NOVEMBER 1987

OREGON LABOR TRENDS

OCTOBER INDICATORS

UNEMPLOYMENT RATE

Oregon		(Seas. Adj)
Oct.	1987	6.4
Sept.	1987	6.3
Oct.	1986	8.2
U.S.		
Oct.	1987	6.0
Sept.	1987	5.9
Oct.	1986	6.9

WAGE AND SALARY EMPLOYMENT INDEX

Oregon		1977=100
Oct.	1987	117.7
Sept.	1987	117.3
Aug.	1987	117.3
July	1987	117.7
June	1987	116.8

DIFFUSION INDEX

Oregon		
Oct.	1987	50.8
Sept.	1987	55.4
Aug.	1987	60.9
July	1987	64.7
June	1987	64.7

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon		
Sept.	1987	$10.66
Aug.	1987	$10.41
Sept.	1986	$10.38

CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

Portland-Vancouver	
July 1987	321.6
Yearly change	1.6%
Annual Average 1986	316.8
Yearly change	1.4%
U.S.	
Oct. 1987	345.3
Yearly change	4.5%
Annual Average 1986-	328.4
Yearly change	1.9%

Portland Hotline 221-4132

Stocks Crash...Amidst Robust Economy

Linda Burgin

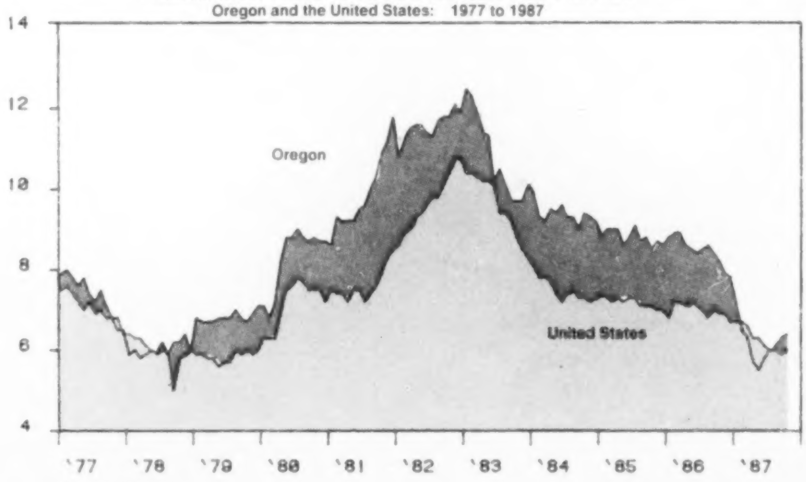
The October 19th stock market crash was the headline news for the month of October. Various analyses have been written. Forecasts run from dire, doomsday predictions to unbridled optimism.

According to the Wharton Econometric Forecasting Associates' (WEFA) October Executive Summary of the U.S. Outlook, "The crash in the stock market is a deflationary shock to the United States and the world economy which will lower real growth in 1988, but also reduce inflation. Lessened upward pressure on interest rates should reduce the severity of the economic slowdown expected for late 1989." While the risk of near-term recession has clearly increased, it did not yet appear to be high enough to warrant inclusion in their baseline forecast. As a result, WEFA has an optimistic view of the future, forecasting unemployment averages of 6.2% in 1987, 6.1% in 1988, and 6.8% in 1990. Consumer price inflation forecasts are averages of 3.7% in 1987, 4.2% in 1988, 4.8% in 1989, and 4.4% in 1990.

How should consumers, businesses, and the Federal Reserve react to the crash to head off a possible recession? The WEFA Summary suggests, "The magnitude of the drop in consumer spending and business investment in response to the stock market crash, combined with the willingness of the Fed to ease monetary policy, will ultimately determine how well the United States weathers this storm."

According to a recent Marple's Business Newsletter, shares of Pacific Northwest companies that are traded over the counter fell farther than listed issues in the stock crash, and they will probably take longer to recover. These are companies that primarily depend on individual rather than institutional investors for equity capital. The Newsletter predicts that "small companies that need capital for growth will have to look elsewhere and will find that capital more dear. When the market revives, they will probably get less for their shares than in the past."

SEASONALLY ADJUSTED UNEMPLOYMENT RATES *
Oregon and the United States: 1977 to 1987



* Civilian labor force only

I asked Michael Moffett, Professor of Economics at Oregon State University, if he thinks optimism is justified. According to Moffett, the stock market crash replaced inflationary fears with recessionary fears. But it has also changed economic conditions in some positive ways. The rapid response by the Fed created a fall in interest rates. It also caused the dollar to fall significantly, which should eventually do good things for our trade deficit. "We are hoping that possibly continued investment spending (because of lower interest rates) and reduction in imports will offset a decrease in spending by consumers and will take the momentum out of recessionary fears and may in fact head off a recession."

> ***"The magnitude of the drop in consumer spending and business investment. . . , combined with the willingness of the FED to ease monetary policy, will ultimately determine how well the United States weathers this storm".***

The crash also scared consumers. Since two-thirds of our economy is based on consumer spending, what consumers spend is very important. (Of course, if they are not spending, they will be saving more, and this could help investment.) Moffett would like for consumers to show caution in the levels of debt that they acquire.

Moffet says, "Economists have three main economic indicators that they like to worry about: the unemployment rate, the inflation rate, and real GNP growth. The national unemployment rate (seasonally adjusted) is the lowest it's been since 1979. The 4% inflation rate is also low. Projected GNP growth for the third quarter of 1987 was 3.8%. It is evident from these indicators that we have a healthy economy, in spite of the trillion dollar loss of paper wealth."

Meanwhile, business is booming in Oregon! The Employment Division's Current Employment Survey of employers was collected for the week of October 12th (the week before the crash), and most of the data reported here will be based on the results of that survey.

Wage and salary employment set a new record for the fourth time this year. The October payroll job count was 1,120,400, up 5,300 jobs from September, and 38,000 higher than a year ago.

October's seasonally adjusted Oregon and national unemployment rates both crept up by one-tenth from the September rates. Oregon's unemployment rate was 6.4%; the national unemployment rate was 6.0%.

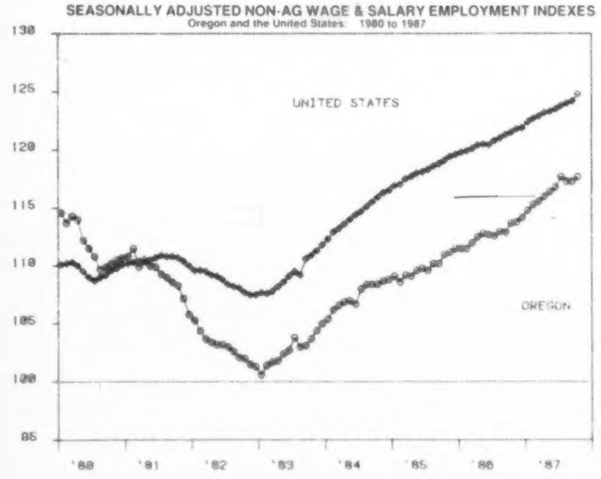
Since weather conditions were probably responsible for Oregon's increased unemployment rate, it is apparent that the slight increase is not a cause for concern. Two industries were particularly affected by the weather: food canning and processing, and logging.

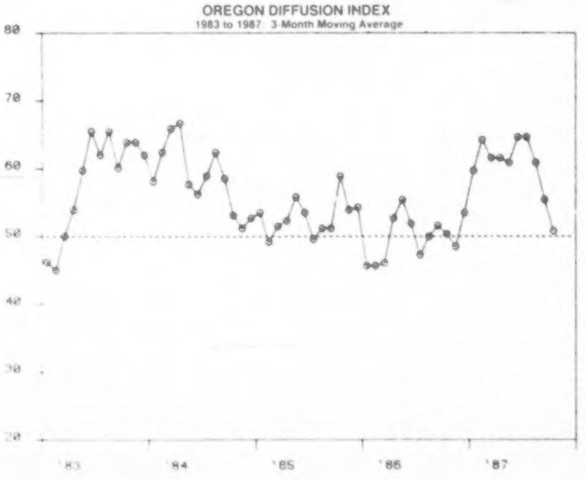
Oregon employment in food canning and preserving was lower than seasonal expectations simply because much of the processing had already taken place. Warm weather conditions caused many crops to be harvested and processed at least a month ahead of normal.

Logging employment plunged again as the threat and reality of forest fires restricted cutting. For the second consecutive month, logging employment was at its lowest record for this time of year. Fortunately, by the end of October, the Rockhouse Creek fire near Dallas and the Silver fire in Southern Oregon were both controlled. The current mild weather combined with moderate rainfall will likely create excellent logging conditions and abnormally high November employment.

According to Marple's Business Newsletter, log shortages and stronger than expected export demand have driven up prices of logs, paper and related products. The higher prices converged with strong production to push profits sharply higher in the forest products industry in the third quarter. In reporting strong results, several companies credited the combination of booming export markets and improved mill efficiencies, as well as higher prices.

Lumber, plywood, and other building materials also made strong contributions to the industry's robust quarter. Lumber companies are reporting increased demand and prices for export logs and lumber resulting from the boom in new housing and other construction in Japan.


SEASONALLY ADJUSTED NON-AG WAGE & SALARY EMPLOYMENT INDEXES
Oregon and the United States: 1980 to 1987


OREGON DIFFUSION INDEX
1983 to 1987: 3-Month Moving Average

Regarding the paper side of the business, pulp prices are at all-time highs worldwide. Forest companies expect profits in pulp and paper to rise during the balance of 1987 and 1988 given continued modest growth in the economy.

Nonmanufacturing employment showed overwhelming strength. With the exception of transportation (where logging reductions resulted in trucking cutbacks), all major industries performed better than expected for this time of year. There were 914,900 total nonmanufacturing jobs, up 11,100 from September, and up 34,100 jobs from October 1986. Public and private education added 18,300 jobs, returning to school year levels. Most nonmanufacturing industries were higher in October 1987 than a year ago. (See the Oregon Nonmanufacturing Employment graph.)

Services added 2,500 jobs when it would have been more normal for services to lose 800 jobs. Several service industries had the highest October on record. These included hotels, amusements and recreation, educational services, agricultural services, professional, scientific and art services, other personal services, and business services. (Business services would normally go down by 300 jobs, but there was an increase of 400 jobs instead.) Three industries--automotive repair and other repair services, hospitals, and other health services had the highest employment on record for any month since 1972. The normal seasonal pattern calls for health services employment to fall by 700 jobs, but it went up by 500 jobs instead.)

Employment statistics for the week of October 12th show that heavy construction employment declined by only 100. This was a small drop compared with the last five years when heavy construction has declined anywhere from 200 to 800 between September and October.

It is interesting to note that construction contract figures compiled by the F.W. Dodge Division of McGraw-Hill (through September) ranks Oregon as the hot construction market in the Pacific Northwest in 1987. Contract volume in Oregon runs 17% higher than in 1986. (Washington volume is down 2% from a year ago, Idaho is down 10%, and volume in Montana is unchanged.

In October, the stock market crash made a soft sound compared to the boom of economic activity. Oregonians were too busy working to worry about a paper crash on Wall Street.

Looking ahead to the next two months, there will be a surge in holiday seasonal retail employment that approximates the 1986 levels. This should create about 6,500 jobs in retail trade, and 550 jobs in timber tracts (Christmas trees.) Actual volume of retail sales, however, may be affected if consumer confidence has been shaken by recent turmoil in the stock markets. Another 900 jobs should be created in employment agencies and temporary help services.

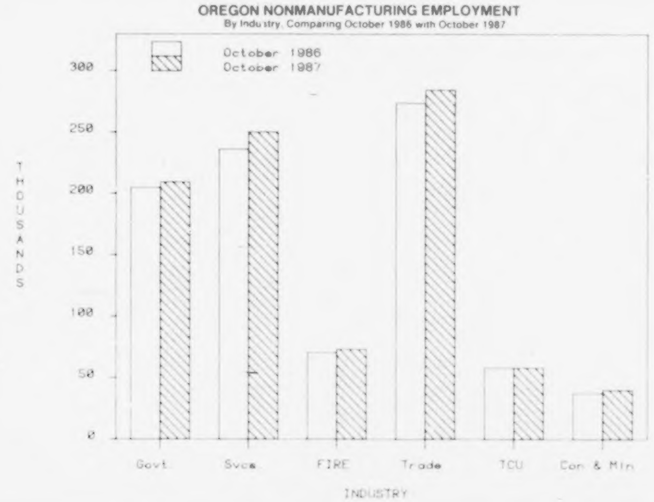
Oregon's unemployment rate is down nearly two percentage points from last October's 8.2%, while nonfarm wage and salary employment is up about 3.5%.

October leaves us with the feeling of economic prosperity but with an impending dark storm cloud (maybe a tornado?) on the horizon. In a way it is as though we are in the first part of a Hitchcock thriller when everything looks wonderfully normal and bright, yet we have uneasy anticipation of what may come.

Since any negative economic responses to the crash will probably be slow in coming, we are given the opportunity to enjoy our prosperity. "The only thing we have to fear is fear itself." (FDR) "Wait and see." (What the doctors like to say.) "Watch and pray." (Jesus Christ before his betrayal.)

After all, the stock market is only a barometer, not a maker of economic trends. It is a secondary market, not directly related to economic activity. This may be a high before the storm, but then, the storm may pass us by. Instead of a tornado, we may just get a little rain.

In October, the stock market crash made a soft sound compared to the boom of economic activity. Oregonians were too busy working to worry much about a paper crash on Wall Street. ☐



ARE YOU A DIFFUSION INDEX USER?

If so, we would like to hear from you. Employment Division research staff will soon be reviewing our diffusion index including its composition, method of construction, and overall utility. We are particularly interested in knowing more about who currently uses the diffusion index and for what purpose. If you would like to assist us in this review process, please contact Jeff Hannum at 1-800-237-3710, EXT. 8-2736 (toll free).

RESIDENT OREGON LABOR FORCE

	OCT.[1] 1987	SEPT.[2] 1987	CHANGE	%CHANGE	OCT.[5] 1986
CIVILIAN LABOR FORCE[3]	1,375,300	1,365,500	9,800	0.7	1,367,100
UNEMPLOYMENT	76,800	73,700	3,100	4.2	98,200
PERCENT OF LABOR FORCE	5.6	5.4	XXX	XXX	7.2
SEASONALLY ADJUSTED PERCENT	6.4	6.3	XXX	XXX	8.2
TOTAL EMPLOYMENT[4]	1,298,500	1,291,800	6,700	0.5	1,268,900

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1986 and January 1987, data for 1987 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (BY PLACE OF WORK)

				CHANGE FROM	
INDUSTRY	OCT.[1] 1987	SEPT.[2] 1987	OCT. 1986	SEPT. 1987	OCT. 1986
TOTAL[3]	1,120,400	1,115,100	1,082,400	5,300	38,000
WAGE & SALARY EMPLOYMENT INDEX[4]	117.7	117.3	113.7	XXX	XXX
DIFFUSION INDEX[5]	50.8	55.4	50.4	XXX	XXX
TOTAL MANUFACTURING	205,500	211,300	201,600	-5,800	3,900
DURABLE GOODS	146,700	149,600	142,800	-2,900	3,900
LUMBER & WOOD PRODUCTS	65,800	68,200	65,400	-2,400	400
LOGGING & SAWMILLS	33,200	35,000	34,100	-1,800	-900
VENEER & PLYWOOD	17,600	17,700	17,000	-100	600
MILLWORK & STRUCTURAL WOOD	9,600	10,100	9,400	-500	200
MOBILE HOMES	1,600	1,600	1,300	0	300
OTHER WOOD PRODUCTS	3,800	3,800	3,600	0	200
FURNITURE AND FIXTURES	2,500	2,400	2,700	100	-200
STONE, CLAY, GLASS & CONCRETE	3,600	3,600	3,300	0	300
PRIMARY METALS	9,400	9,400	8,300	0	1,100
BLAST FURNACES, IRON & STEEL	5,600	5,600	5,100	0	500
NONFERROUS METALS	3,800	3,800	3,200	0	600
FABRICATED METALS	10,900	11,100	10,400	-200	500
FABRICATED STRUCTURAL METALS	4,800	4,900	4,400	-100	400
OTHER FABRICATED METALS	6,100	6,200	6,000	-100	100
MACHINERY	15,300	15,200	14,500	100	800
ELECTRICAL EQUIPMENT & SUPPLIES	13,600	13,600	13,000	0	600
TRANSPORTATION EQUIPMENT	10,400	10,900	10,600	-500	-200
INSTRUMENTS & RELATED PRODUCTS	12,000	12,000	12,100	0	-100
MISCELLANEOUS MANUFACTURING	3,200	3,200	2,500	0	700
NONDURABLE GOODS	58,800	61,700	58,800	-2,900	0
FOOD & KINDRED PRODUCTS	26,400	29,400	28,200	-3,000	-1,800
CANNING & PRESERVING	15,500	18,700	17,200	-3,200	-1,700
OTHER FOOD PRODUCTS	10,900	10,700	11,000	200	-100
TEXTILE MILL PRODUCTS	1,700	1,700	1,400	0	300
APPAREL	2,400	2,300	2,300	100	100
PAPER & ALLIED PRODUCTS	8,800	9,000	8,800	-200	0
PRINTING & PUBLISHING	12,600	12,400	11,800	200	800
CHEMICALS & ALLIED PRODUCTS	2,100	2,100	2,100	0	0
PETROLEUM REFINING	500	500	400	0	100
RUBBER & PLASTIC PRODUCTS	3,900	3,800	3,400	100	500
LEATHER PRODUCTS	400	500	400	-100	0
TOTAL NONMANUFACTURING	914,900	903,800	880,800	11,100	34,100
MINING & QUARRYING	1,400	1,500	1,500	-100	-100
CONSTRUCTION	38,500	39,500	36,000	-1,000	2,500
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	57,900	58,500	58,000	-600	-100
TRANSPORTATION	37,000	37,300	36,800	-300	200
RAILROAD	4,200	4,200	4,300	0	-100
TRUCKING & WAREHOUSING	21,400	21,900	21,300	-500	100
OTHER TRANSPORTATION	11,400	11,200	11,200	200	200
COMMUNICATIONS	12,600	12,600	12,700	0	-100
UTILITIES	8,300	8,600	8,500	-300	-200
TRADE	284,400	285,400	273,700	-1,000	10,700
WHOLESALE TRADE	71,100	71,000	69,200	100	1,900
DURABLE GOODS	41,400	41,600	40,000	-200	1,400
NONDURABLE GOODS	29,700	29,400	29,200	300	500
RETAIL TRADE	213,300	214,400	204,500	-1,100	8,800
GENERAL MERCHANDISE	27,500	26,900	26,600	600	900
FOOD STORES	35,800	35,900	32,800	-100	3,000
AUTO DEALERS & SERVICE STATIONS	25,900	26,000	25,400	-100	500
OTHER RETAIL TRADE	124,100	125,600	119,700	-1,500	4,400
FINANCE, INSURANCE, & REAL ESTATE	73,200	73,500	70,600	-300	2,600
BANKING & CREDIT AGENCIES	23,800	23,800	23,700	0	100
OTHER FINANCE, INSURANCE, & REAL ESTATE	49,400	49,700	46,900	-300	2,500
SERVICES	250,200	247,700	236,200	2,500	14,000
HOTELS & PERSONAL SERVICES	27,300	27,900	25,700	-600	1,600
HEALTH SERVICES	76,400	75,900	73,700	500	2,700
OTHER SERVICES	146,500	143,900	136,800	2,600	9,700
GOVERNMENT	209,300	197,700	204,800	11,600	4,500
FEDERAL GOVERNMENT	30,100	30,900	28,700	-800	1,400
STATE GOVERNMENT	59,100	54,800	55,900	4,300	3,200
EDUCATION	24,800	19,100	24,500	5,700	300
OTHER STATE	34,300	35,700	31,400	1,400	2,900
LOCAL GOVERNMENT	120,100	112,000	120,200	8,100	-100
EDUCATION	76,600	67,200	77,300	9,400	-700
OTHER LOCAL	43,500	44,800	42,900	-1,300	600
LABOR MANAGEMENT DISPUTES	0	100	100	-100	-100

1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's Annual Average Employment (774,300) and that of 1977 (936,900).

5/ The Diffusion Index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

EMPLOYERS' CORNER - MOVING AHEAD

Dorothy Monnier

We want to share with you the New JOBS Program that is being implemented by the Adult and Family Services Division of the Department of Human Resources. J.D. Hoye, Director of the Oregon Consortium and a coordinator of the New JOBS Program, has prepared the following:

What is a Voluntary Welfare Work Program?

Federal welfare regulations require that anyone whose dependent children are three years old or older, and who does not meet disability or age exemptions, must be actively seeking employment to be eligible for welfare assistance. Adult and Family Services (AFS), Oregon's welfare department, operates the JOBS Program to help more than 1,000 "mandatory" clients find work each month.

However, like many other states, Oregon has recently begun to look beyond mandatory welfare work programs for "volunteers" - welfare recipients who are exempt from job search requirements, but who could benefit by job training. Last year, a Task Force of AFS, education, labor and employment professionals developed a proposal for a New JOBS Program - one that would help both mandatory and volunteer clients develop long-term employment and self-sufficiency skills. The legislature passed that proposal and gave the New JOBS Program $4 million to begin pilot programming.

How will the New JOBS Program differ from the original?

The New JOBS Program has the same goal as the original: to help AFS clients become self-sufficient through employment. But the New JOBS Program improves on that goal by building long-term skills that will lead clients to more appropriate, rewarding jobs and keep them from returning to public assistance.

A change in basic philosophy is the basis of the New JOBS Program. In the original program, it was felt that any job was preferable to welfare, regardless of whether the clients failed in these jobs: about 46 percent returned to the welfare rolls. The philosophy of the New JOBS Program is that clients should be linked to jobs on the basis of skills, interests, needs and the local economy.

JSEC SEMINARS FOR EMPLOYERS

Local Job Service Employer Committees have scheduled the following seminars for employers during December:

Topic: **UNEMPLOYMENT INSURANCE**
Location: Alladin Motor Inn (Conference Room)
536 S.W. Elizabeth
Newport, OR 97365
Time: December 8, 1987 8:00 A.M. to 3:30 P.M.

Topic: **THE HIRING PROCESS/PERFORMANCE APPRAISALS**
Location: Nyberg Inn, Tualatin Exit off I-5
Time: December 8, 1987 8:00 A.M. to 3:30 P.M.

Topic: **MOTIVATING AND EVALUATING EMPLOYEES FOR BETTER RESULTS**
Location: Central Oregon Community College
Ponderosa Hall, Room 204
Bend, Oregon
Time: December 9, 1987 9:30 A.M. to 1:20 P.M.

How many volunteers will be served, and what will be the cost?

Current participation in the JOBS Program is between 50 and 200 volunteer clients per year. The goal of the New JOBS Program is to enroll 2,000 volunteers in the program in the first year.

Initially, the New JOBS Program will cost more than the original, because of a larger clientele. But over a five-year period, because of a decreasing AFS caseload, there will be a new decrease in costs, with a projected savings of $2 million by Fiscal Year 1991/1992. These figures do not reflect the savings that will arise through shared services with other agencies and the contribution of the "new" group of Oregon taxpayers.

What will the New JOBS Program mean to clients?

The new program offers clients a full range of confidence and skills-building services to prepare them for more productive, self-sufficient lives. These services include:

orientation, for all clients who contact AFS, to familiarize them with the organization and encourage them to use the New JOBS Program.

appraisal and extended assessement, including in-depth testing and counseling to evaluate each client's knowledge, skills and abilities.

basic education, reading, writing and math instruction for clients who test at a seventh grade or lower level.

job search/job referral, instruction on developing good work habits, preparing for and seeking a job.

training, including Vocational Training and Work Site Training (both paid and unpaid).

support services, payment for items or services needed to seek, accept and maintain employment. The most common are child care and transportation.

Who will provide these services?

Statewide, each of these components will be provided by the local organization or agency best qualified. The provider will differ from area to area and may even vary within the local area from time to time. Cooperative agreements and contracts between service providers will be encouraged. The goal is to use available resources within the local community to best serve the client.

How was the New JOBS Program developed?

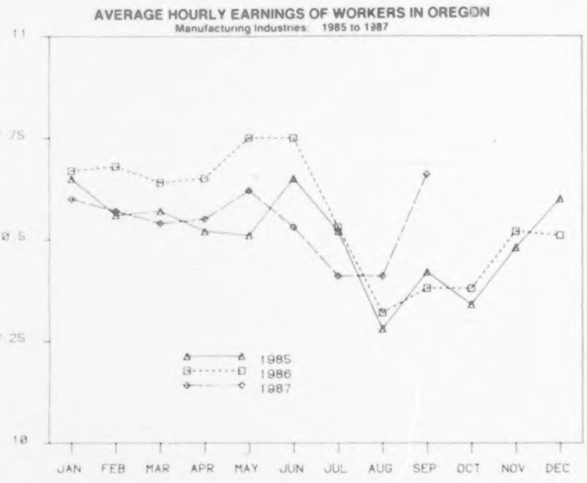
During the 1985 legislative session, House Bill 2448 was passed, directing AFS to study methods used by other states to increase the voluntary usage of welfare work programs. A Task Force was convened, including representatives of AFS, the Employment Division, Job Training Partnership Act programs, Community Colleges, the labor community and Legal Aid. After studying many other state programs, surveying AFS clients and sharing their own experiences and expectations, the Task Force members designed the New JOBS Program. □

HOURS & EARNINGS

Jeff Hannum

Average hourly earnings of Oregon's manufacturing production workers jumped by 25 cents to $10.66 between August and September. This level represented not only a 2.7% increase from one year ago, but it was also the highest hourly earnings average in manufacturing since June 1986. This was just prior to last year's labor contract negotiations and strikes in the lumber and wood products industry which eventually led to sizeable wage cuts in this key sector.

Average hourly earnings increases, both over the month and from one year ago, were evident in almost every industry. Workers in the furniture, primary metals and paper industries enjoyed some of the largest gains over the past year due to strong product demand, hourly wage increases and/or increased overtime hours worked.



AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	SEPT.[2] 1987	AUG.[3] 1987	SEPT. 1986	SEPT.[2] 1987	AUG.[3] 1987	SEPT. 1986	SEPT.[2] 1987	SUG.[3] 1987	SEPT. 1986
TOTAL MANUFACTURING[4]	$408.28	$412.24	$403.78	38.3	39.6	38.9	$10.66	$10.41	$10.38
Durable Goods	414.72	427.84	420.16	38.4	40.4	39.6	10.80	10.59	10.61
Lumber & Wood Products	410.18	433.90	423.34	37.7	40.4	39.9	10.88	10.74	10.61
Logging & Sawmills	413.93	457.65	448.80	35.5	39.9	40.0	11.66	11.47	11.22
Veneer & Plywood	429.27	433.06	418.08	41.0	41.6	40.2	10.47	10.41	10.40
Millwork & Structural	374.92	372.50	361.89	39.3	40.8	39.9	9.54	9.13	9.07
Mobile Homes	300.79	317.11	308.78	33.2	36.2	34.5	9.06	8.76	8.95
Other Wood Products	426.66	421.85	404.14	40.1	40.1	38.6	10.64	10.52	10.47
Furniture & Fixtures	322.85	319.08	326.19	35.4	36.3	39.3	9.12	8.79	9.30
Primary Metals	538.06	505.68	486.81	42.3	42.0	40.5	12.72	12.04	12.02
Fabricated Metals	377.69	393.09	383.36	38.5	40.4	40.1	9.81	9.73	9.56
Machinery (Ex Electrical)	434.27	448.92	432.23	39.3	40.7	38.8	11.05	11.03	11.14
Nondurable Goods	392.81	374.50	364.93	38.1	37.6	37.2	10.31	9.96	9.81
Food & Kindred Products	307.38	286.77	283.97	36.9	36.3	35.9	8.33	7.90	7.91
Canning & Preserving	267.91	238.28	238.70	36.6	35.3	35.0	7.32	6.75	6.82
Other Food Products	407.96	411.28	405.30	37.6	38.8	38.2	10.85	10.60	10.61
Textile Mill Products	217.70	217.33	232.05	33.7	33.8	35.7	6.46	6.43	6.50
Apparel	218.16	223.94	213.49	36.0	37.2	37.0	6.06	6.02	5.77
Paper & Allied Products	677.45	631.40	629.24	42.5	40.5	41.1	15.94	15.59	15.31
Printing & Publishing	461.16	456.92	440.59	37.8	37.7	36.9	12.20	12.12	11.94
Construction[4]	464.77	495.56	514.62	34.3	36.6	37.4	13.55	13.54	13.76
Communications & Utilities[5]	527.77	521.30	517.06	41.2	40.6	41.2	12.81	12.84	12.55
Trade[5]	301.71	302.93	293.78	34.6	34.9	34.4	8.72	8.68	8.54
Wholesale Trade	400.82	410.22	394.13	37.6	37.6	37.5	10.66	10.91	10.51
Retail Trade	253.55	250.58	244.36	33.1	33.5	32.8	7.66	7.48	7.45
Banking & Insurance[5]	315.33	326.94	300.10						
State & Local Government	384.58	390.50	373.71						

1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

Production workers in the pulp and paper industry earned the highest hourly pay ($15.94) in September, due in part to heavy overtime, while those in Oregon's apparel industry had the lowest hourly average ($6.06). Some of the factors which help to explain such differences in average hourly earnings between industries include the following:

- numbers of full-time versus part-time, and year round versus seasonal employees
- amount of overtime worked
- differences in job tenure among workers (stable or declining industries tend to have a higher proportion of long tenure employees than do expanding industries which are adding new workers at entry level wages)
- occupational differences between industries
- productivity/capital investment per worker
- union or employee association representation
- economic health of each industry, including the amount of competition from other products or producers, both foreign and domestic
- difference in compensation systems (e.g. incentive pay versus pay by the hour, and proportion of total compensation paid in the form of fringe benefits).

Despite the gain in average hourly earnings in September the actual buying power (i.e. weekly earnings) of many manufacturing production workers weakened due to a shorter work week in many industries. Workers in the logging industry suffered the sharpest decline in weekly earnings (-$109.93) as forest fires and cutting restrictions kept many loggers either off the job (logging employment dropped 1,200 to its lowest level on record for this time of year) or on reduced work schedules (the average work week plunged by over nine hours to 28.9). Once these forest fire-related restrictions are lifted, however, logging activity is likely to soar as mills rush to build their depleted log decks for the winter. ☐

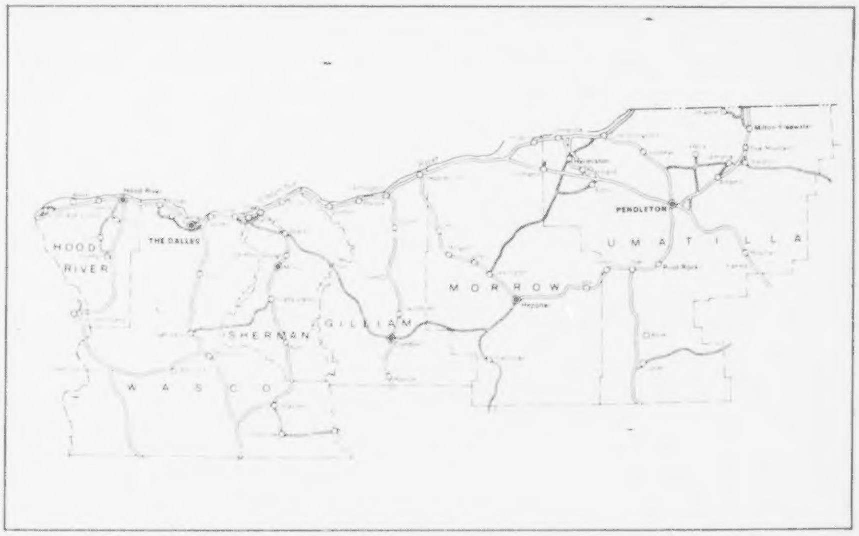
COLUMBIA CORRIDOR COMMUNITIES ARE GEARED FOR GROWTH

Richard Kuczek

(Editor's note: Mr. Kuczek is the Employment Division's regional economist for the Mid-Columbia and East-Central Oregon Regions and is based in Pendleton).

With the State's economy finally beginning to pull out of the doldrums, Governor Goldschmidt's "Oregon Comeback" initiative has focused attention not only on what we need to do to bring our State's economy back to its previous robustness, but also on Oregon's inherent potential for growth, diversification, and expansion which fueled the State's rapid growth in recent decades. Communities have been looking at what they have to offer and how best to market their advantages to encourage economic development. A major portion of the State's potential for industrial development resides in the communities along the Columbia River corridor. These towns (Hood River, The Dalles, Boardman, Hermiston, and Pendleton) offer many advantages for firms interested in locating or relocating manufacturing and distribution facilities, and promise to be among the State's leaders in development and growth over the coming decades.

One of the primary advantages the corridor communities have is excellent access to major transportation arterials.



The Columbia corridor communities offer potential investors a number of reasons for choosing them as the location for new facilities. One of the primary advantages the corridor communities have is excellent access to major transportation arterials. The river itself is a major transportation corridor, and already sees heavy traffic for shipments of agricultural products. An important point for industry is that several of the Columbia River ports are already equipped to handle containerized cargo. Besides the river, the corridor is the route for I-84, the major east-west freeway link for the Pacific Northwest, and also for Union Pacific's mainline, linking the Pacific Northwest with points east. UP also originates its main north-south rail link, from the Northwest to California, in The Dalles area; so rail access to the lucrative California market is excellent. Another advantage for firms which ship by rail is the location of Union Pacific's main switching yard for the Pacific Northwest at Hinkle, in northern Umatilla County. Hinkle is the largest railroad facility in the Northwest.

Access to air transport is also excellent. The towns of Hood River and The Dalles are only about an hour's drive from the Portland International Airport, a transit time comparable to that from many developing Washington County locations. Pendleton has its own commuter airport, and Hermiston is conveniently located 25 miles northwest of Pendleton and 30 miles south of the Tri-Cities area in Washington, which has a major regional airport facility.

With excellent rail, freeway, water, and air linkages, the corridor communities clearly offer superior transportation/shipping access for industry. For the Hermiston/Pendleton area, the advantage inherent in such excellent transportation access is enhanced by the geographic location of these communities. Umatilla County is in the center of the Pacific Northwest, and roughly four hours drive from Portland, Spokane, and Boise, and only one or two hours further away from Seattle and the Willamette Valley urban areas. This makes northern Umatilla County ideal as a distribution center for firms serving a regional market.

Other advantages include a good and readily available supply of low cost water and plentiful low cost electric power. Ready-to-go industrial sites are found in all the corridor communities, and land costs are among the most reasonable in the State. An added, bottom line, advantage is that local tax rates in these towns tend to be significantly lower than those in the State's metropolitan areas. One advantage often overlooked, is that these communities actually draw on a larger labor force base (and market area) than they are normally credited with. Hood River and The Dalles are only about 20 miles apart, by freeway, and commuting between the two cities is quick and easy. Pendleton and Hermiston are separated by only a few miles more. Thus, each of these communities can draw on the labor force of another, if expansion dictates the need and opportunity. Hermiston is especially fortunate in this regard. Hermiston is located about halfway between Pendleton and the Tri-Cities in Washington,roughly 25 miles from each. This puts a population of over 150,000 persons within a 30 minute commute of the Hermiston area.

With such advantages, it shouldn't surprise anyone to find that these towns along the Columbia already have a solid industrial base to their economies. Besides Oregon's traditional timber and food processing industries, manufacturing facilities in the Columbia corridor also include aluminum smelting, electrical equipment, boat building, a distillery, sporting goods, apparel & textiles, plastic pipe, industrial machinery, mobile homes & recreational vehicles, steel tanks, insulation board, asphalt, and others. In September 1987, manufacturing employment accounted for 15.9% of all jobs and 21.6% of all nonfarm wage & salary employment in the five counties of Hood River, Wasco, Sherman, Morrow, and Umatilla. For comparison, percentages for the State and the metro areas (Sept. 1987) are: Oregon 16.3% and 19.0%, Portland 16.3% and 17.1%, Salem 14.3% and 17.7%, Eugene 15.9% and 19.3%, and Medford 13.5% and 17.5%. As these figures show, the manufacturing sector is already developed in these communities to a level comparable to that of the State's metro areas.

A final attraction of these towns is their livability. The Columbia Gorge is certainly one of the most beautiful areas in the world, and the Gorge and the Cascades have been developed as destination resort areas. Year round recreational opportunities abound. All of these counties offer excellent hunting and fishing; and Umatilla County boasts a very fine, if small, ski area at Spout Springs, while Hood River and Wasco Counties have major ski areas and wind surfing. When these attractions are combined with low crime rates, smaller, more personalized, communities, and a more relaxed life style than is found in urban areas, the livability of these towns must be added as a major attraction to industry.

. . . these communities will see major industrial development in the coming decades.

With an existing industrial base to build upon, transportation access as good as any area in the Northwest, low development costs, livable communities, and ready-to-go industrial sites available, these communities will see major industrial development in the coming decades. For the towns in the Columbia corridor this will mean increased economic stability and expansion, and for the State, greater diversification and expansion of its economic base. The attractiveness of these communities as manufacturing and distribution centers has the potential to make industrial development in the corridor a major factor in fulfilling the goals of the Oregon Comeback initiative, benefitting the local communities, the State, and the industries which locate in these towns. ☐

OREGON LABOR TRENDS

OREGON LABOR TRENDS is published monthly by the Research and Statistics Section of the Oregon Employment Division, W. E. Hunter, Administrator.

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OREGON LABOR TRENDS

DECEMBER 1987

NOVEMBER INDICATORS

UNEMPLOYMENT RATE

Oregon		*(Seas. Adj)*
Nov.	1987	5.7
Oct.	1987	6.3
Nov.	1986	7.9
U.S.		
Nov.	1987	5.9
Oct.	1987	6.0
Nov.	186	6.9

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	*1977=100*	
Nov.	1987	118.7
Oct.	1987	118.0
Sept.	1987	117.3
Aug.	1987	117.3
July	1987	117.7

DIFFUSION INDEX

Oregon		
Nov.	1987	55.0
Oct.	1987	53.5
Sept.	1987	55.4
Aug.	1987	60.9
July	1987	64.7

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon		
Oct.	1987	$10.47
Sept.	1987	$10.65
Oct.	1986	$10.38

CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

Portland-Vancouver	
July 1987	321.6
Yearly change	1.6%
Annual Average 1986	316.8
Yearly change	1.4%
U.S.	
Nov. 1987	345.8
Yearly change	4.5%
Annual Average 1986	328.4
Yearly change	1.9%

Portland Hotline 221-4132

EMPLOYMENT GROWTH....IN NOVEMBER?

by Arthur Ayre

Since 1947, when Oregon's monthly employment statistics began, each November has seen a decline in both total employment and nonagricultural wage and salary employment from the October levels. This year, however, both measures of employment rose in November. The explanation of such a deviation from the norm is not simple.

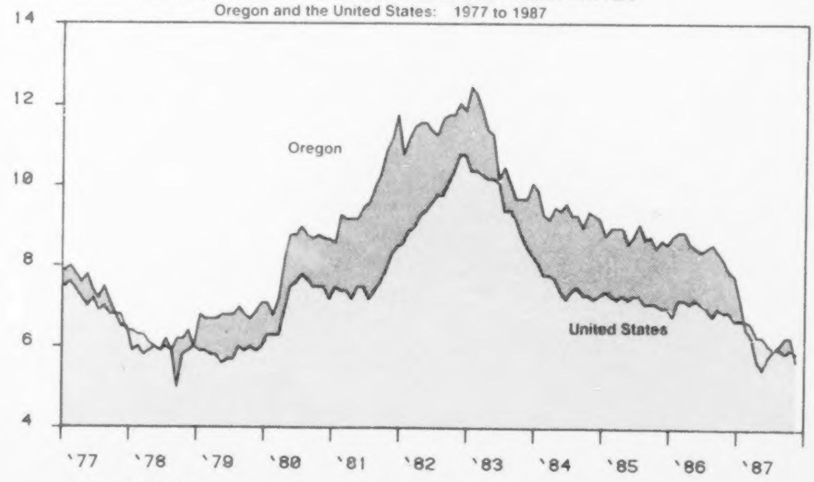
Employment normally declines in the fall and winter with the end of seasonal jobs in agriculture, food processing, lumber and wood products, and construction. The normal October to November decline in total employment, based on an average of the past five years, is almost 14,000. This November saw a gain of 11,000 jobs. The November average nonagricultural wage and salary employment decline, also based on the past five years, is almost 5,000. This November we had a gain of 1,500 jobs. There are at least three possible factors which may have combined to create this unseasonal employment growth:

1. The long-term trend of declining seasonality in employment.
2. The unusual growth in lumber and wood products employment in November brought about by the end of logging restrictions put in place during this summer's forest fires.
3. The current economic expansion and general employment growth.

Over the past forty years, Oregon's employment has shifted away from the highly seasonal jobs in the fields, forests, canneries, and sawmills and toward the year-round jobs in offices, warehouses, stores, and factories. In 1947, lumber and wood products made up almost 18% of nonagricultural wage and salary employment, and food and kindred products accounted for about 5%. In 1986, these industries' portions were 6% and just over 2%, respectively.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES *

Oregon and the United States: 1977 to 1987



* Civilian labor force only

Not only have the seasonal industries become a smaller portion of Oregon's employment, some have also become less seasonal themselves. In 1950, lumber and wood products employment reached a peak of 95,800 in August and fell to a low of 78,000 in December. This is a decline of over 18% in four months. In 1986, the industry peaked in September at 66,400 and fell to 63,200 in February of 1987, a decline of about 5% over five months.

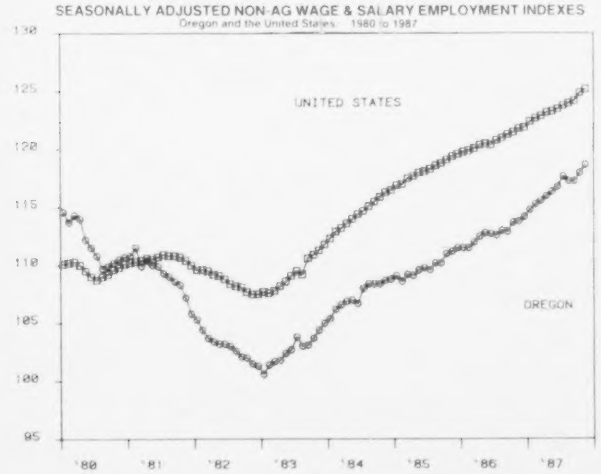
Of the seasonality that remains in Oregon's employment, more of it can be found concentrated in two major industries. During the decade of the 1950s, the average October to November decline in nonfarm payroll employment was 12,000. About 61% of this decline could be found in lumber and wood products (-4,000) and in food and kindred products (-3,300). In the first seven years of the 1980s, the average November decline was 6,800. Over 85% of this loss was seen in lumber and wood products (-1,600) and in food and kindred products (-4,200).

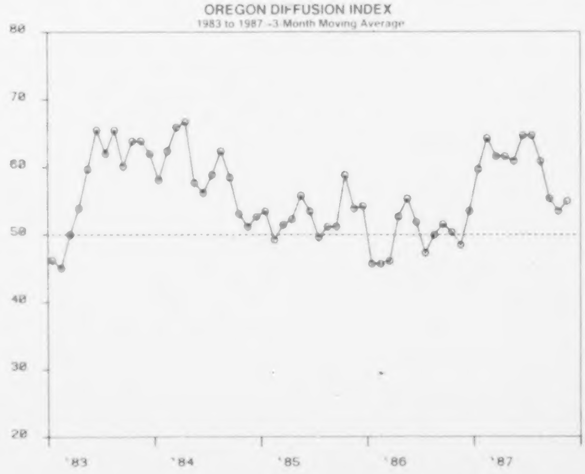
Although the decline in the seasonality of Oregon's employment may help explain a part of this month's unusual employment increase, the seasonality that remains would still predict a decline of about 5,300. It would be reasonable to assume that something unusual had occurred in the seasonality of at least one major industry. Indeed, in the month of November, lumber and wood employment increased by 1,400. Normally, it would have declined by about 1,200. The growth in these jobs was due primarily to the lifting of months-long restrictions on logging in forests which were either tinder-dry or already ablaze from a long, parching summer. Due to these restrictions many lumber mills were unable to build log inventories and are now providing a solid market for the logs that are finally being taken from Oregon's forests. The loggers, many of whom were forced to sit out the summer months when they normally cut timber, have now returned to the woods to cut what they can before the weather makes logging impossible. This atypical shift of logging activity from summer to late fall and early winter has resulted in the lumber and wood products employment gain in November, and helps explain the unusual growth in the aggregate employment figures.

Another factor in explaining the November employment increase might be general economic growth. The nation has been in various stages of an economic expansion for several years, and Oregon has belatedly taken part in this recovery. The growth in Oregon's nonagricultural wage and salary employment between 1986 and 1987 is projected to be 37,300 (3.5%). This equates to an average monthly growth of 3,100 jobs. In 1986, the comparable figures were 26,500 (2.6%) growth in employment over the year, or about 2,200 jobs per month.

Industry employment figures reflect this trend of employment growth. Lumber and wood products was only one of the industries to show exceptional strength in employment in November (although it is the easiest to explain). Indeed, all major industry sectors showed either normal or better than normal seasonal changes. Both the construction and food and kindred products industries lost fewer employees than is usual for November. Trade and services both gained more employment than seasonally expected in November, with the strength centered in wholesale trade and in business and professional services.

As a result of both the unseasonally good employment changes and similarly good news in the estimates of the number of unemployed, the seasonally adjusted unemployment rate in Oregon plunged from October's 6.3% to 5.7%. This is the lowest level in six months and the lowest November level since Oregon's seasonally adjusted unemployment rates were first published in 1972. Rounding out the spate of good news, the national unemployment rate also declined in November, from 6.0% to 5.9%. All in all, it was a remarkable month for employment data, and yes, we had employment growth...in November! ☐


SEASONALLY ADJUSTED NON-AG WAGE & SALARY EMPLOYMENT INDEXES
Oregon and the United States: 1980 to 1987


OREGON DIFFUSION INDEX
1983 to 1987 -3 Month Moving Average

RESIDENT OREGON LABOR FORCE

	NOV.[1] 1987	OCT.[2] 1987	CHANGE	% CHANGE	NOV.[5] 1986
CIVILIAN LABOR FORCE[3]	1,396,000	1,383,500	12,500	0.9	1,362,000
UNEMPLOYMENT	78,300	76,800	1,500	2.0	107,100
PERCENT OF LABOR FORCE	5.6	5.6	XXX	XXX	7.9
SEASONALLY ADJUSTED PERCENT	5.7	6.3	XXX	XXX	7.9
TOTAL EMPLOYMENT[4]	1,317,700	1,306,700	11,000	0.8	1,254,900

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1986 and January 1987, data for 1987 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (BY PLACE OF WORK)

INDUSTRY	NOV.[1] 1987	OCT.[2] 1987	NOV. 1986	CHANGE FROM OCT. 1987	CHANGE FROM NOV. 1986
TOTAL[3]	1,124,200	1,122,700	1,077,400	1,500	46,800
WAGE & SALARY EMPLOYMENT INDEX[4]	118.7	118.0	113.8	XXX	XXX
DIFFUSION INDEX[5]	55.0	53.5	48.5	XXX	XXX
TOTAL MANUFACTURING	204,100	206,300	195,900	-2,200	8,200
DURABLE GOODS	148,800	147,600	141,400	1,200	7,400
LUMBER & WOOD PRODUCTS	67,700	66,300	65,100	1,400	2,600
LOGGING & SAWMILLS	34,800	33,500	33,700	1,300	1,100
VENEER & PLYWOOD	17,700	17,700	17,200	0	500
MILLWORK & STRUCTURAL WOOD	9,900	9,700	9,300	200	600
MOBILE HOMES	1,500	1,600	1,300	-100	200
OTHER WOOD PRODUCTS	3,800	3,800	3,600	0	200
FURNITURE AND FIXTURES	2,600	2,500	2,600	100	0
STONE, CLAY, GLASS & CONCRETE	3,400	3,600	3,000	-200	400
PRIMARY METALS	9,500	9,500	8,300	0	1,200
BLAST FURNACES, IRON & STEEL	5,700	5,600	5,100	100	600
NONFERROUS METALS	3,800	3,900	3,200	-100	600
FABRICATED METALS	10,700	10,900	10,400	-200	300
FABRICATED STRUCTURAL METALS	4,600	4,800	4,500	-200	100
OTHER FABRICATED METALS	6,100	6,100	5,900	0	200
MACHINERY	15,300	15,300	14,500	0	800
ELECTRICAL EQUIPMENT & SUPPLIES	13,700	13,700	12,800	0	900
TRANSPORTATION EQUIPMENT	10,600	10,500	10,100	100	500
INSTRUMENTS & RELATED PRODUCTS	12,100	12,000	12,100	100	0
MISCELLANEOUS MANUFACTURING	3,200	3,300	2,500	-100	700
NONDURABLE GOODS	55,300	58,700	54,500	-3,400	800
FOOD & KINDRED PRODUCTS	22,800	26,200	23,800	-3,400	-1,000
CANNING & PRESERVING	11,900	15,500	12,800	-3,600	-900
OTHER FOOD PRODUCTS	10,900	10,700	11,000	200	-100
TEXTILE MILL PRODUCTS	1,600	1,700	1,500	-100	100
APPAREL	2,400	2,400	2,400	0	0
PAPER & ALLIED PRODUCTS	8,800	8,900	8,800	-100	0
PRINTING & PUBLISHING	12,800	12,500	11,700	300	1,100
CHEMICALS & ALLIED PRODUCTS	2,100	2,100	2,100	0	0
PETROLEUM REFINING	400	500	400	-100	0
RUBBER & PLASTIC PRODUCTS	3,900	3,900	3,400	0	500
LEATHER PRODUCTS	500	500	400	0	100
TOTAL NONMANUFACTURING	920,100	916,400	881,500	3,700	38,600
MINING & QUARRYING	1,400	1,500	1,300	-100	100
CONSTRUCTION	36,000	38,200	33,000	-2,200	3,000
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	58,200	58,200	58,300	0	-100
TRANSPORTATION	37,200	37,200	37,100	0	100
RAILROAD	4,100	4,200	4,300	-100	-200
TRUCKING & WAREHOUSING	21,800	21,600	21,600	200	200
OTHER TRANSPORTATION	11,300	11,400	11,200	-100	100
COMMUNICATIONS	12,600	12,600	12,700	0	-100
UTILITIES	8,400	8,400	8,500	0	-100
TRADE	287,200	284,300	276,300	2,900	10,900
WHOLESALE TRADE	70,400	70,800	68,400	-400	2,000
DURABLE GOODS	41,500	41,500	39,700	0	1,800
NONDURABLE GOODS	28,900	29,300	28,700	-400	200
RETAIL TRADE	216,800	213,500	207,900	3,300	8,900
GENERAL MERCHANDISE	29,100	27,700	28,200	1,400	900
FOOD STORES	36,200	35,900	33,500	300	2,700
AUTO DEALERS & SERVICE STATIONS	25,200	25,700	25,100	-500	100
OTHER RETAIL TRADE	126,300	124,200	121,100	2,100	5,200
FINANCE, INSURANCE, & REAL ESTATE	72,900	73,200	70,700	-300	2,200
BANKING & CREDIT AGENCIES	23,800	23,800	23,900	0	-100
OTHER FINANCE, INSURANCE, & REAL ESTATE	49,100	49,400	46,800	-300	2,300
SERVICES	249,500	249,100	235,200	400	14,300
HOTELS & PERSONAL SERVICES	26,300	27,100	24,900	-800	1,400
HEALTH SERVICES	76,400	76,300	73,600	100	2,800
OTHER SERVICES	146,800	145,700	136,700	1,100	10,100
GOVERNMENT	214,900	211,900	206,700	3,000	8,200
FEDERAL GOVERNMENT	30,400	30,800	28,400	-400	2,000
STATE GOVERNMENT	61,100	60,300	56,300	800	4,800
EDUCATION	25,500	24,900	25,300	600	200
OTHER STATE	35,600	35,400	31,000	200	4,600
LOCAL GOVERNMENT	123,400	120,800	122,000	2,600	1,400
EDUCATION	79,600	76,800	78,900	2,800	700
OTHER LOCAL	43,800	44,000	43,100	-200	700
LABOR - MANAGEMENT DISPUTES	0	0	100	0	100

1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's Annual Average Employment (774,300) and that of 1977 (936,900).

5/ The Diffusion Index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

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NEW LMI PUBLICATION

Did you ever wonder how important a particular industry was to Oregon's economy or any one of its counties in terms of number of firms, number of employees, or total payroll? Or how about the average annual pay earned by workers in specific industries or areas of the State? If so, you are in luck! The answers to these and other related questions are contained in the **Oregon Covered Employment and Payrolls by Industry and County, 1986** publication which is now available. At the State level, firm counts, employment and payroll data are given at the four-digit industry level (using Federal Standard Industrial Classification codes). County level data is shown at the two-digit industry code level.

The October issue of **Oregon Labor Trends** contained an article on average annual pay for the various states and for selected industries and major metropolitan areas within Oregon. The accompanying table shows similar annual average pay levels for all counties in Oregon.

If you are not already on our mailing list and would like a copy of this publication please contact:

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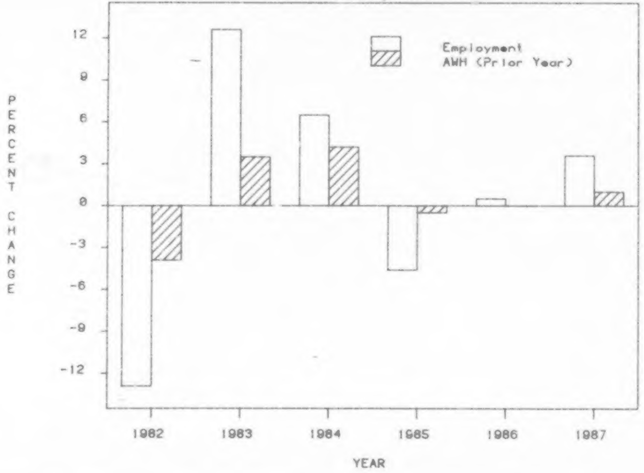
HOURS & EARNINGS - READ THIS ARTICLE!

Graham Slater

The Oregon Employment Division is responsible for a monthly survey of employers (the Current Employment Statistics or CES survey) which produces estimates of employment, hours & earnings for Oregon and its Metropolitan Statistical Areas: Portland, Eugene, Salem, and Medford. (Employment estimates, but not hours & earnings, are provided for all other counties of the State.)

The recent fire-related situation in the logging industry caused well-publicized employment cutbacks. In addition, those still working suffered a major reduction in the hours they worked, and therefore in their total income. A related interview with a local journalist reminded me that most users spend little time looking at hours & earnings data. The purpose of this article is to

EMPLOYMENT & AVERAGE WEEKLY HOURS (AWH)
Annual Percent Change: 1982-87



AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Oct.[2] 1987	Sept.[3] 1987	Oct. 1986	Oct.[2] 1987	Sept.[3] 1987	Oct. 1986	Oct.[2] 1987	Sept.[3] 1987	Oct. 1986
TOTAL MANUFACTURING[4]	$407.28	$406.83	$404.82	38.9	38.2	39.0	$10.47	$10.65	$10.38
Durable Goods	413.68	411.80	419.63	39.1	38.2	39.7	10.58	10.78	10.57
Lumber & Wood Products	402.26	405.48	422.14	37.7	37.2	39.9	10.67	10.90	10.58
Logging & Sawmills	406.66	410.29	451.76	35.3	34.8	40.3	11.52	11.79	11.21
Veneer & Plywood	414.86	424.91	410.90	40.2	40.7	39.7	10.32	10.44	10.35
Millwork & Structural	366.30	366.21	349.97	40.7	39.0	39.5	9.00	9.39	8.86
Mobile Homes	332.12	299.79	309.05	36.1	34.9	35.0	9.20	8.59	8.83
Other Wood Products	417.35	420.15	402.53	39.9	39.9	38.3	10.46	10.53	10.51
Furniture & Fixtures	340.58	321.84	330.68	36.7	35.8	41.7	9.28	8.99	7.93
Primary Metals	496.34	520.29	476.41	41.5	42.3	39.8	11.96	12.30	11.97
Fabricated Metals	370.40	371.33	373.18	39.7	38.4	39.2	9.33	9.67	9.52
Machinery (Ex Electrical)	452.09	438.80	427.58	41.4	40.0	38.8	10.92	10.97	11.02
Nondurable Goods	390.28	392.16	369.89	38.3	38.0	37.4	10.19	10.32	9.89
Food & Kindred Products	313.81	307.84	294.39	37.9	37.0	36.3	8.28	8.32	8.11
Canning & Preserving	271.74	265.36	245.00	37.9	36.5	35.1	7.17	7.27	6.98
Other Food Products	401.57	414.15	405.08	38.1	38.1	39.1	10.54	10.87	10.36
Textile Mill Products	240.07	215.76	243.89	36.1	33.4	39.4	6.65	6.46	6.19
Apparel	220.43	220.46	203.90	35.9	36.5	35.4	6.14	6.04	5.76
Paper & Allied Products	639.74	681.88	610.34	40.8	42.3	40.5	15.68	16.12	15.07
Printing & Publishing	441.56	458.90	426.82	37.2	37.4	36.7	11.87	12.27	11.63
Construction[4]	502.52	463.07	508.88	36.6	34.2	37.5	13.73	13.54	13.57
Communications & Utilities[5]	513.32	529.37	506.33	39.7	41.1	39.9	12.93	12.88	12.69
Trade[5]	292.66	301.69	286.11	33.6	34.4	33.7	8.71	8.77	8.49
Wholesale Trade	405.48	401.35	392.70	37.2	37.3	37.4	10.90	10.76	10.50
Retail Trade	238.61	254.54	235.84	31.9	33.1	32.0	7.48	7.69	7.37
Banking & Insurance[5]	317.40	314.09	300.51						
State & Local Government	374.65	384.36	353.89						

1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.
2/ Preliminary
3/ Revised
4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.
5/ Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

spread the word that hours & earnings can offer useful insights not provided by the employment news alone.

Hours & earnings is no newcomer to the statistical scene. The first published (national) data came in 1933, and Oregon files contain information from as early as 1949 (with manufacturing average hourly earnings in the $1.70 range by the end of that year.)

Hours & earnings statistics generally portray the working conditions of an industry's *production (or nonsupervisory)* workers. Note also that these statistics refer to the *actual* situation, not the plan or schedule. In other words, a company reporting data may plan on working their employees 40 hours a week and paying $5.00 per hour. However, extra demand might cause some employees to work overtime, increasing the actual average weekly hours to 42.7 and raising the average hourly earnings (through overtime premiums) to $5.15. Thus hours & earnings statistics refer to the actual activity within an industry at any given time. Let us now proceed to document and demonstrate some of the uses of these data. (Except where indicated, the figures given in this article refer to 1986 annual averages.)

Average Weekly Hours (AWH)

1. This statistic has long been considered an excellent forecaster of future changes in employment. The rationale is that employers will work their existing work force harder (increasing overtime, increasing average weekly hours) to meet rising demand, before they will actually increase the work force. The same would be true in reverse as employers tend to reduce hours for current employees before introducing layoffs. The U.S. Bureau of Labor Statistics is currently researching this particular use to determine its continuing validity. Many long-held beliefs based on traditional industries may not hold true when applied to the newer and increasingly important service-sector industries.

Having said that, this predictor function of AWH still appears to have some relevance to Oregon. Between 1981 and 1987, the trend in lumber and wood products employment followed by one year the behavior in AWH. The following graph shows annual average percent change in lumber employment along with the corresponding change in lumber average weekly hours for the prior year. As can be seen, there is certainly a measure of consistency between the two statistics (though no analysis into a direct dependency has been attempted).

2. The AWH statistic reflects changes in the proportion of part-time employees in an industry or group of industries. Retail trade (with a high proportion of part-time workers) recorded a 1986 annual average of 32.5 hours compared with the manufacturing average of 39.0. Also, the 32.5 figure shows considerable decline compared with that of twenty years earlier (36.0), suggesting a long-term trend toward part-time work in the retail sector.

3. Average weekly hours measures the impact of specific events. Returning to the logging situation in Oregon these past few months, average weekly hours fell from 38.1 in August to 27.4 in September, and remained low (28.2) in October. Early indications suggest a return to more normal levels, somewhere in the mid to high thirties, in November.

Average hourly and weekly earnings statistics can also be very useful for economic analysis and business planning. I'll discuss these two indicators in a subsequent issue of **Labor Trends**. ☐

1987 - YEAR IN REVIEW

Jeff Hannum

With one month to go it looks like Oregon's economy will rack up its best year of the decade, the fifth full year of economic growth! While the most publicized economic development this year (the collapse of the stock market "bubble" which culminated in the worst ever one day loss for stocks on October 19) will eventually have a negative effect on Oregon's economy, it hasn't yet made a dent in the State's key labor market indicators. In November, for example, Oregon's wage and salary employment jumped to another record high for the fifth time this year. At the same time, the seasonally adjusted unemployment rate dropped 0.6 points to 5.7%, the second lowest rate of any month during the 1980s. The lowest rate of 5.5% came earlier this year in May. Although a weaker economy is widely expected next year, this will be measured against an exceptionally strong 1987.

To get a quick reading of how well Oregon's economy and labor market fared throughout the past year look at the graphs showing monthly trends for Oregon's unemployment rate, nonfarm employment index and diffusion index. All three of these indicators are seasonally adjusted.

The State's unemployment rate improved dramatically between late 1986 and spring 1987, even dropping below the national rate for several months--the first time this has happened since the heydays of 1978. Mild winter weather coupled with low interest rates, a soaring stock market, and record demand for lumber and wood products provided the major stimulus. Although the unemployment rate drifted higher during the summer months, it will average 6.1% for the year, compared with 8.5% in 1986. The U.S. unemployment rate in 1987 will average 6.2%.

> ***In 1987, even rural areas of Oregon experienced sharply lower levels of unemployment...***

In recent years, improvement in the statewide unemployment rate reflected a very unbalanced recovery which was confined largely to the more economically diversified, service-oriented metropolitan areas of the State. Little to no growth was evident, however, in many rural areas so dependent upon natural resource industries in manufacturing and agriculture. Competition from imports and reduced exports due mainly to the overvalued dollar, plus commodity surpluses which depressed prices created severe cost pressures in many of these industries. To survive, companies restructured their operations so that fewer workers were needed, often at lower wages, to produce a larger quantity of goods.

In 1987, even rural areas of Oregon experienced sharply lower levels of unemployment due to record demand for forest products, a surge in exports brought about by increased competitiveness and the dollar's continuing decline, and favorable weather during much of the year. In October, for example, unemployment was lower than a year ago in all but three of Oregon's 31 local labor markets even though logging restrictions due to high fire danger were still in effect in many parts of the State. In November, only one local area had higher unemployment than a year ago.

Due to demographic shifts in the composition of the population and also structural changes in the economy, some economists associate a national jobless rate of 6% with near "full employment". Although this term can mean different things to various people, in this context it means the lowest unemployment rate compatible with non-inflationary economic growth. Presumably, with jobless rates below 6% labor skill shortages and industrial capacity limitations begin to appear which eventually translate into higher wages and prices.

In Oregon, one indicator of a tighter labor market, in addition to the lower unemployment rate, is a 65% increase in nonfarm job openings unfilled at Employment Division local offices at the end of November (11,717) compared with the same period a year ago (7,107). Whether Oregon's economy is currently operating near its "full employment" threshold is debatable. What is clear is that employment surged to new record highs in 1987. This is reflected in the State's diffusion index, which has been at or above 60% for much of the year, and in the strong trend in the nonfarm wage and salary employment index in virtually every month except August and September.

The weakening trend shown by these indexes in late summer was due to several factors. First, Oregon's unusually mild, dry weather last winter and spring accelerated agricultural activities so that most crops were harvested and processed several weeks earlier than usual. Second, while dry weather benefited many industries last winter and spring, its persistence through the summer and fall created one of the worst forest fire seasons in decades, especially in Southern Oregon. As a result, logging employment plunged to record lows until cutting restrictions were lifted in late October. Although most wood products mills were able to keep operating during the forest closures, they did so by depleting their log inventories. Logging activity resumed full tilt in November, but many mills will be going into the winter months with short log decks. This could lead to some mill closures in early 1988 due to log shortages rather than a drop in demand for lumber and plywood.

A third factor which no doubt contributed to the recent slippage was the bad news on interest rates which began to rise sharply in the spring after having reached the lowest levels of the decade last winter. Mortgage interest rates, among others, began to climb in March as the Federal Reserve tightened monetary policy in an effort to prop up the sagging dollar and head off higher inflation.

The Fed's policy switch, in combination with many other factors, including the overvaluation of stocks and a growing lack of confidence in the Nation's political leadership to resolve two big problems (the federal budget deficit and the foreign trade deficit), brought an end to the five year bull market for stocks. The Dow Jones Industrial Average hit an all-time peak on August 25 at 2,722, then began to slide. On October 19, the bottom dropped out and the Dow plunged 508 points, or 23%, in one day.

One of the most important developments following the stock market crash, especially for Oregon, was the quick policy reversal at the Federal Reserve.

One of the most important developments following the stock market crash, especially for Oregon, was the quick policy reversal at the Federal Reserve. Instead of focusing on fighting inflation and stabilizing the dollar's foreign exchange value, the Fed moved quickly to pump money into the economy and lower interest rates in an effort to avoid a recession. Mortgage and other interest rates promptly fell, as did the dollar. How long the Fed will maintain this focus depends largely on progress in reducing the federal budget deficit and on international monetary policy cooperation.

Considering the turmoil in financial markets, it's perhaps surprising that Oregon's economy performed so well throughout 1987 as interest rates were rising. Higher mortgage rates between March (9%) and October (near 12%) took a toll on U.S. housing starts which declined from an annual rate of over 1.8 million units in January to about 1.5 million units in October, the lowest level in over four years. But the drop in mortgage rates after October 19 gave housing at least a temporary reprieve as starts rebounded to a rate of 1.64 million in November. For the year as a whole, however, starts will be down about 10% from last year's level of 1.82 million.

In Oregon, the trend of housing construction this year, as shown by building permits, was stronger. For the first ten months of 1987, the number of residential permits was up 14% over the same period a year ago. Both single-family (+12%) and multi-family (+18%) construction rose, contrary to the national trend (-3% and -25% respectively). One reason is that employment has increased faster this year in Oregon than in the Nation. Better job prospects coupled with the sharp drop in the unemployment rate helped to boost Oregon's population by 28,500 over the past year to a new record high (2,690,000). Half of the gain was caused by more people moving into Oregon than leaving the State.

While housing permits were on the rise, non-residential construction got off to a slow start this year due, in part, to delayed passage of a new federal highway bill (over the President's veto). The pace of non-residential contracting picked up speed, however, later in the year. Recently, the F. W. Dodge Division of McGraw-Hill cited Oregon as the hot spot in the Pacific NW market based on a 17% increase in contract volume for the first nine months of 1987 over 1986.

Another barometer of the State's construction market is the volume of "announced investments" tallied by Oregon's Economic Development Department. The latest report also showed a slow start in early 1987, but much higher volumes of planned investments in the spring and summer. The value of announced investments through September was $951 million, almost twice the pace in 1986. While three-fourths of this total represented commercial projects such as shopping centers, office buildings, and tourist/recreation facilities, a significant number of industrial projects were also noted. These included major expansions in the electronics, paper, and wood products manufacturing industries.

These investment plans are indicative of the growing optimism in many of Oregon's manufacturing industries...

These investment plans are indicative of the growing optimism in many of Oregon's manufacturing industries, especially those which stand to benefit from higher exports and less competition from imports. Although improvement in the trade deficit in dollar terms has been painfully slow, there has been a definite increase in the volume of our exports. Oregon's lumber and wood products industry is a good example. While the current export market is not nearly as big as the U.S. housing market, increased wood products exports this year helped to offset the decline in U.S. residential construction. Softwood lumber exports from the Columbia-Snake Customs District (formerly the Oregon Customs District) over the first nine months of 1987 were 383 million BF, up 29% from the same period a year ago. Export volumes were also up significantly for wood chips (+23%), logs (+13%), and plywood (+12%).

Employment gains in Oregon's manufacturing industries this year were not nearly as large, however, as production increases. Longer work weeks and higher productivity saw to that. Nevertheless, manufacturing employment averaged nearly 201,000 in 1987, an increase of 4,000, or 2% over 1986. Most of these new jobs came in the lumber and wood products industry which produced a record volume of building materials in 1987. Many other manufacturing industries also expanded during the year, including primary metals (especially aluminum producers), portions of the electronics industry, printing and publishing, and plastics manufacturing. These latter two industries, plus the millwork portion of lumber and wood products, recorded all-time employment highs in 1987.

As in past years, the real job creation machine in Oregon continued to be the service-producing industries.

Job declines in manufacturing this year were generally insignificant except for the loss of 1,100 in instruments and related products. Employment in high technology, overall, stabilized early in the year, however, at 29,000, and has been increasing slowly since May.

While manufacturing employment and production both jumped in 1987, real average hourly earnings of production workers continued to fall despite a low rate of inflation. Recent cuts in hourly wage rates in key industries like lumber and wood products account for the drop. If other forms of compensation were included, however, like profit sharing which is becoming more common, the trend in average earnings would be more favorable.

As in past years, the real job creation machine in Oregon continued to be the service-producing industries. Trade (+9,600); finance, insurance, and real estate (+3,000); services (+14,000); and government (+5,500) all reached record high employment levels in 1987. Business and medical services continued to gain rapidly. Even Oregon's lodging industry employed more people than ever before, attesting to the strength of tourism as well as business travel in 1987.

Visitor counts at the State's welcome centers (excluding new ones at Lakeview and Maryhill) were down slightly this year, but other travel indicators including motel/hotel occupancy rates, State Parks use, and passenger traffic through Portland International Airport showed gains. Some of these gains reflect an increase in the number of foreign visitors to Oregon this year, especially from Japan. Several factors account for this including the yen's dramatic rise in value over the past three years, a major expansion in direct airline service between Portland and Tokyo last March, a recent Japanese television series on Oregon, and the rapid growth of Japanese companies and investment in Oregon.

In addition to travel/tourism-related industries, there were two other sectors of Oregon's economy that saw improvement in 1987. Both the fishing industry and agriculture have had their share of problems in recent years. Despite a mini-El Nino effect, the State's fishermen had a very good year, both in terms of volume and value of fish landings. For example, the shrimp harvest is expected to be the third best ever, and this coupled with good prices will mean a record high value for the catch. The financial returns from ground fish and salmon landings will also be up sharply this year.

Economic improvement wasn't nearly as dramatic down on the farm, but there was progress nevertheless. Preliminary estimates from the OSU Extension Service indicate that gross farm sales rose 4.4% in 1987 to exceed $2 billion for the first time ever. Animal products (primarily cattle and calves) recorded the strongest sales gains (+6.5%), while the farm value of all crops increased 3.4%. As always in Oregon's highly diversified agricultural economy, there were both winners and losers. Favorable weather, especially last winter and spring, resulted in record high yields for some crops including strawberries and wheat. But price declines and a labor shortage at harvest time caused the total value of the strawberry crop to decline. For grain farmers, record yields were nearly offset by a large drop in wheat acreage. Aided by slightly higher prices, grain sales managed to increase nearly 5%.

All things considered, Oregon's economy was the biggest winner this year despite the roller coaster stock market.

In terms of gross farm sales, some of the big winners in 1987 were producers of grass and legume seeds (+18.5%), tree fruits and nuts (+10.5%), specialty products (+10.4%), and cattle and calves (+8.4%). The main losers were producers of hay and silage (-15%), small fruits and berries (-7%), and vegetable crops (-14.3%), primarily onions (-37%).

All things considered, Oregon's economy was the biggest winner this year despite the roller coaster stock market. Where we go from here, however, is the biggest unknown. That question will be the main topic for discussion in next month's issue of **Oregon Labor Trends.** ☐

OREGON LABOR TRENDS

OREGON LABOR TRENDS is published monthly by the Research and Statistics Section of the Oregon Employment Division, W. E. Hunter, Administrator.

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OREGON LABOR TRENDS

JANUARY 1988

DECEMBER INDICATORS

UNEMPLOYMENT RATE

Oregon		*(Seas. Adj)*
Dec.	1987	5.8
Nov.	1987	5.6
Dec.	1986	7.8
U.S.		
Dec.	1987	5.8
Nov.	1987	5.9
Dec.	1986	6.7

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	*1977=100*	
Dec.	1987	119.0
Nov.	1987	118.5
Oct.	1987	118.0
Sept.	1987	117.3
Aug.	1987	117.3

DIFFUSION INDEX

Oregon		
Dec.	1987	56.2
Nov.	1987	55.4
Oct.	1987	53.5
Sept.	1987	55.4
Aug.	1987	60.9

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon		
Nov.	1987	$10.65
Oct.	1987	$10.45
Nov.	1986	$10.52

CONSUMER PRICE INDEX (CPI)
1967=100
ALL URBAN CONSUMERS

Portland-Vancouver	
July 1987	321.6
Yearly change	1.6%
Annual Average 1986	316.8
Yearly change	1.4%
U.S.	
Dec. 1987	345.7
Yearly change	4.4%
Annual Average 1986	328.4
Yearly change	1.9%

Portland Hotline 221-4132

UNEMPLOYMENT STILL NEAR 6%

David Cooke

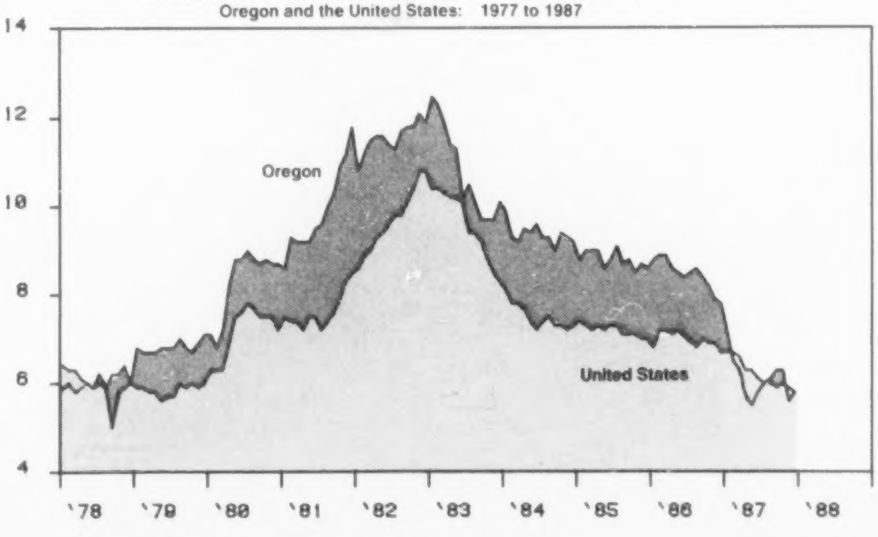
The Oregon unemployment rate continues to hover close to 6%. For eleven straight months, Oregon's seasonally adjusted unemployment rate hasn't varied more than half a percent above or below 6%. In December, the seasonally adjusted rate rose slightly, by 0.2%, but this increase is not as significant as the rate's low level. At 5.8%, December's unemployment rate is a sign of economic strength.

For a better understanding of the current unemployment picture we can look at three types of unemployed workers. One group of unemployed, whose numbers can change dramatically from year to year, are the cyclically unemployed. Cyclical unemployment is caused by periodic declines in business activity which in turn lessen demand for workers in the economy. Throughout 1987, cyclical unemployment has remained low.

A second group, the structurally unemployed, are those whose skills are mismatched with the skills required for available jobs. Structural unemployment also includes joblessness caused by discrimination, or by imbalances between geographic areas where jobs are available and where the jobless reside.

The final group of unemployed workers are the frictionally unemployed. These people are primarily just entering the labor force or have voluntarily quit one job to look for another. They are generally unemployed only for a short time. Economists estimate this group's percentage of the unemployed at between 3% and 6%. This level of unemployment is considered the lowest unemployment achievable, and is reached when the economy is at full employment. Because of this inevitable segment of the unemployed, the current 5.8% rate indicates a fairly tight labor market in Oregon.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES *
Oregon and the United States: 1977 to 1987



* Civilian labor force only

While the unemployment rate is staying at relatively low levels, what is happening to the number of jobs in Oregon? The nonagricultural wage and salary employment index provides a quick answer. This index is computed by dividing seasonally adjusted nonfarm payroll employment for a particular month by the 1977 annual average. The index value in the 1977 base year equals 100.0. In December, the index rose to 119.0, so Oregon now has almost one fifth (19%) more jobs than in 1977.

The wage and salary employment index graph shows an unmistakable trend. Since December 1982 (when employment had dropped to the 1977 level), the index shows how Oregon's economy kept growing at an unfaltering rate. There are no major peaks or valleys in the graph for the last five years, which means employment has been growing steadily. What's more, since late 1986, the index has been growing at an annual rate of about 4%.

Turning to the most recent employment totals, most major industry groups contributed to December's 0.5 increase in the employment index. The big gains came in nonmanufacturing.

Retailers enjoyed a better than expected Christmas, with a 500 seasonally adjusted employment increase in general merchandise stores leading trade's impressive 2,500 gain. On a seasonally adjusted basis, building materials & garden supplies gained 200 and wholesale groceries & related products rose by 300. Food stores were the exception, dropping 800 below expectations.

The robust gains in services were widespread. The following industry groups all recorded seasonally adjusted gains of 200 or more: hotels & other lodging places; health services except hospitals; educational services; professional, scientific, & art services; and other services not elsewhere classified.

Transportation accounted for the entire 1,300 increase in transportation, communication, and utilities. Trucking and warehousing jumped 1,000, mostly due to strong demand for holiday deliveries.

Construction also came through with a healthy December. Residential building contractors held employment level, when a 200 decrease is normal. Helped by more construction at the federal prison in Yamhill County, nonresidential building contractors boosted employment by 200. Heavy construction dropped 900, a typical drop for December.

Government and finance, insurance, & real estate were the only nonmanufacturing industries which performed below seasonal expectations. The major decline came in real estate & combination offices which experienced a seasonally adjusted drop of 800.

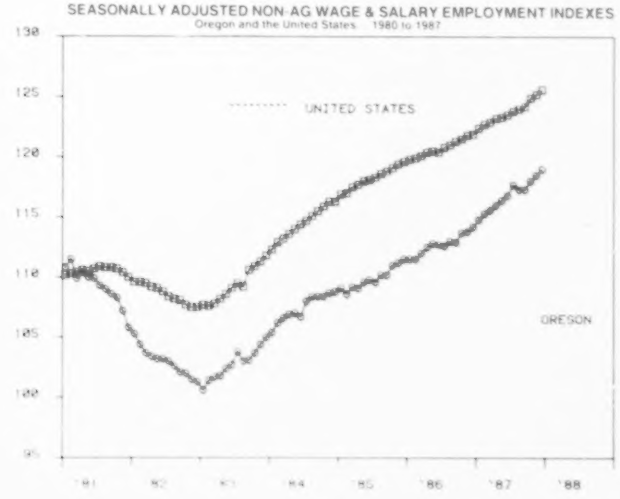
In manufacturing, employment trends were mixed. Food & kindred products was dominated by preserved fruits & vegetables which plummeted 400 more than expected to 8,000. Annual maintenance at some plants and a month lag of processing cycles both contributed to an unusually low employment count in this industry.

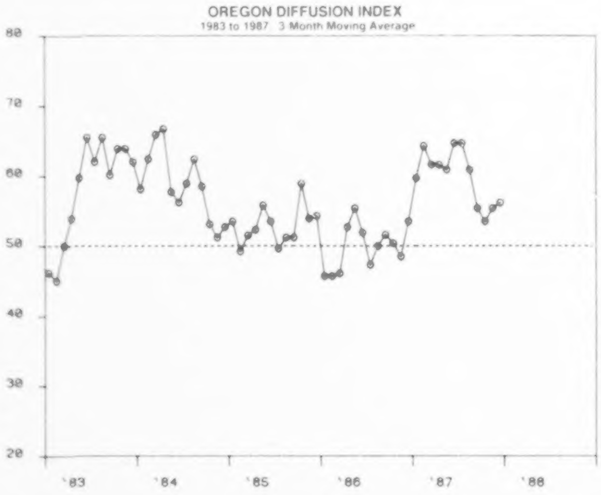
In other durables, ship/boat building started on new contracts, resulting in 900 additional jobs. Seasonally adjusted employment in electrical equipment & supplies and instruments & related products both increased by 100 over the month.

Employment in lumber & wood products was 400 higher than seasonally expected. Logging employment is now back to, if not slightly above, normal winter levels. The last two months have seen a resurgence in logging after extreme summer fire hazards kept loggers out of the woods. Sawmills & planing mills and millwork & structural wood are also doing well, both showing employment up 100 over seasonal expectations.

With December's data in, the annual averages now available show an impressive employment increase of 3.9% for lumber & wood products, with every segment adding jobs. Particularly impressive were sawmills and veneer & plywood, each adding 900 jobs over the year.

For the end of 1987, low unemployment rates and steadily increasing employment levels reflect continued improvement of the Oregon economy.□


SEASONALLY ADJUSTED NON-AG WAGE & SALARY EMPLOYMENT INDEXES
Oregon and the United States 1980 to 1987


OREGON DIFFUSION INDEX
1983 to 1987 3 Month Moving Average

RESIDENT OREGON LABOR FORCE

	DEC.[1] 1987	NOV.[2] 1987	CHANGE	%CHANGE	DEC.[5] 1986
CIVILIAN LABOR FORCE[3]	1,392,900	1,391,600	1,300	0.1	1,353,700
UNEMPLOYMENT	85,100	77,800	7,300	9.4	111,600
PERCENT OF LABOR FORCE	6.1	5.6	XXX	XXX	8.2
SEASONALLY ADJUSTED PERCENT	5.8	5.6	XXX	XXX	7.8
TOTAL EMPLOYMENT[4]	1,307,800	1,313,800	-6,000	-0.5	1,242,100

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1986 and January 1987, data for 1987 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (BY PLACE OF WORK)

				CHANGE FROM	
INDUSTRY	DEC.[1] 1987	NOV.[2] 1987	DEC. 1986	NOV. 1987	DEC. 1986
TOTAL[3]	1,118,300	1,121,900	1,072,800	-3,600	45,500
WAGE & SALARY EMPLOYMENT INDEX[4]	119.0	118.5	114.2	XXX	XXX
DIFFUSION INDEX[5]	56.2	55.4	53.5	XXX	XXX
TOTAL MANUFACTURING	201,100	204,400	192,700	-3,300	8,400
DURABLE GOODS	148,400	148,800	139,900	-400	8,500
LUMBER & WOOD PRODUCTS	66,500	67,500	64,400	-1,000	2,100
LOGGING & SAWMILLS	33,900	34,600	33,000	-700	900
VENEER & PLYWOOD	17,600	17,700	17,100	-100	500
MILLWORK & STRUCTURAL WOOD	9,800	9,900	9,500	-100	300
MOBILE HOMES	1,500	1,500	1,200	0	300
OTHER WOOD PRODUCTS	3,700	3,800	3,600	-100	100
FURNITURE AND FIXTURES	2,400	2,600	2,300	-200	100
STONE, CLAY, GLASS & CONCRETE	3,100	3,400	3,000	-300	100
PRIMARY METALS	9,500	9,500	8,400	0	1,100
BLAST FURNACES, IRON & STEEL	5,700	5,700	5,100	0	600
NONFERROUS METALS	3,800	3,800	3,300	0	500
FABRICATED METALS	10,700	10,800	10,200	-100	500
FABRICATED STRUCTURAL METALS	4,600	4,700	4,500	-100	100
OTHER FABRICATED METALS	6,100	6,100	5,700	0	400
MACHINERY	15,400	15,400	14,600	0	800
ELECTRICAL EQUIPMENT & SUPPLIES	13,800	13,700	12,700	100	1,100
TRANSPORTATION EQUIPMENT	11,500	10,600	9,800	900	1,700
INSTRUMENTS & RELATED PRODUCTS	12,200	12,100	12,000	100	200
MISCELLANEOUS MANUFACTURING	3,300	3,200	2,500	100	800
NONDURABLE GOODS	52,700	55,600	52,800	-2,900	-100
FOOD & KINDRED PRODUCTS	20,300	23,200	21,700	-2,900	-1,400
CANNING & PRESERVING	9,600	12,400	10,700	-2,800	-1,100
OTHER FOOD PRODUCTS	10,700	10,800	11,000	-100	-300
TEXTILE MILL PRODUCTS	1,600	1,600	1,500	0	100
APPAREL	2,400	2,400	2,400	0	0
PAPER & ALLIED PRODUCTS	8,800	8,800	8,800	0	0
PRINTING & PUBLISHING	12,900	12,800	11,900	100	1,000
CHEMICALS & ALLIED PRODUCTS	2,100	2,100	2,200	0	-100
PETROLEUM REFINING	400	400	400	0	0
RUBBER & PLASTIC PRODUCTS	3,800	3,900	3,400	-100	400
LEATHER PRODUCTS	400	400	500	0	-100
TOTAL NONMANUFACTURING	917,200	917,500	880,100	-300	37,100
MINING & QUARRYING	1,300	1,400	1,300	-100	0
CONSTRUCTION	34,800	36,500	31,000	-1,700	3,800
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	59,600	58,300	58,600	1,300	1,000
TRANSPORTATION	38,600	37,300	37,600	1,300	1,000
RAILROAD	4,000	4,100	4,200	-100	-200
TRUCKING & WAREHOUSING	22,900	21,900	22,200	1,000	700
OTHER TRANSPORTATION	11,700	11,300	11,200	400	500
COMMUNICATIONS	12,600	12,600	12,600	0	0
UTILITIES	8,400	8,400	8,400	0	0
TRADE	292,100	288,500	278,300	3,600	13,800
WHOLESALE TRADE	70,600	70,300	68,500	300	2,100
DURABLE GOODS	41,700	41,400	39,900	300	1,800
NONDURABLE GOODS	28,900	28,900	28,600	0	300
RETAIL TRADE	221,500	218,200	209,800	3,300	11,700
GENERAL MERCHANDISE	32,300	30,400	29,300	1,900	3,000
FOOD STORES	35,500	36,200	33,200	-700	2,300
AUTO DEALERS & SERVICE STATIONS	24,900	25,200	24,800	-300	100
OTHER RETAIL TRADE	128,800	126,400	122,500	2,400	6,300
FINANCE, INSURANCE, & REAL ESTATE	72,400	72,700	71,300	-300	1,100
BANKING & CREDIT AGENCIES	24,000	23,800	24,000	200	0
OTHER FINANCE, INSURANCE, & REAL ESTATE	48,400	48,900	47,300	-500	1,100
SERVICES	248,500	247,700	235,000	800	13,500
HOTELS & PERSONAL SERVICES	26,000	26,200	24,600	-200	1,400
HEALTH SERVICES	77,100	76,500	73,700	600	3,400
OTHER SERVICES	145,400	145,000	136,700	400	8,700
GOVERNMENT	208,500	212,400	204,600	-3,900	3,900
FEDERAL GOVERNMENT	30,100	30,300	28,500	-200	1,600
STATE GOVERNMENT	58,400	59,800	56,100	-1,400	2,300
EDUCATION	25,200	25,600	25,000	-400	200
OTHER STATE	33,200	34,200	31,100	-1,000	2,100
LOCAL GOVERNMENT	120,000	122,300	120,000	-2,300	0
EDUCATION	76,600	78,500	77,200	-1,900	-600
OTHER LOCAL	43,400	43,800	42,800	-400	600
LABOR – MANAGEMENT DISPUTES	100	100	0	0	100

1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's Annual Average Employment (774,300) and that of 1977 (936,900).

5/ The Diffusion Index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

1988 ECONOMIC OUTLOOK

Jeff Hannum

How will Oregon's economy fare in 1988? Not as good as in 1987, which will probably go down as the best year of the 1980s, but better than you might think, especially in light of last fall's stock market crash...or was it a correction?

By now, you've probably listened to enough economic oracles to realize that the Nation's economy will either slip into a mild recession, enter a "growth recession," continue to expand at a moderate rate, or even pick up speed in 1988. Since all of these alternatives are possible depending on the reactions of consumers, the Federal Reserve Board, and other key players in the economy, we are still faced with a great deal of uncertainty regarding the year ahead. This uncertainty is magnified in today's complex economy by huge foreign trade and federal budget deficits, a growing dependence on international cooperation to avoid recession, and by volatile swings in the financial markets. Add to this the record length of the current expansion (now in its sixth year) and last fall's near meltdown of the stock market and it's no wonder that 1988 economic forecasts run the gamut from recession to a possible mini-boom.

To get a better idea of how Oregon's economy will perform in the coming year we need to look at some key economic trends and policies, and then make some assumptions about their probable course in 1988.

On the income side, however, taxpayers will get to enjoy one last tax cut before the pendulum begins to swing back after the election.

National fiscal and monetary policies always have a major impact on Oregon, both directly and indirectly. Since the early 1980s, fiscal policy, as reflected in the federal budget, has been a major stimulus for economic growth. Although Oregon didn't benefit much from the reordering of national spending priorities from domestic to defense-related programs, we did benefit from a series of large income tax reductions. While these tax cuts, along with further growth in federal spending, created enormous budget deficits, they helped to fuel a consumer spending boom. Now, there is a growing realization, even in Washington D.C., that these chronic and large deficits are undermining the economy and need to be reduced. Although we are not likely to see a significant tightening in fiscal policy in this election year, the tide has begun to turn in the direction of more spending restraint. On the income side, however, taxpayers will get to enjoy one last tax cut before the pendulum begins to swing back after the election.

As fiscal policy becomes less stimulative, the role of the Federal Reserve and monetary policy will become even more important for sustaining economic growth. The FED, however, faces a major policy dilemma. Normally, when the FED wants to stimulate the economy it allows the money supply to grow faster and reduces key interest rates. But in today's global economy, the FED has less latitude to do this because of the Nation's huge budget and foreign trade deficits and the precarious state of the dollar which has already lost about 50% of its value against other major currencies since 1985. If the FED eases up too much, it risks a renewed free-fall in the dollar's value which would ignite inflation. And even if interest rates dropped initially, they would soon be forced up again due to expectations of higher inflation and the need to finance the deficits.

However, if the FED is too concerned about rekindling inflation and stabilizing the dollar, it might not provide enough monetary stimulus to prevent the economy from slipping into a recession in 1988. Some economists think that it may already be too late, citing very slow money growth over the past year, except for a period following the stock market crash.

While the FED will be walking a tightrope in 1988, increased coordination of economic policies between the U.S. and other key industrial countries, a slowing domestic economy, plus significant improvement in our balance of trade should allow for some easing in monetary policy and lower interest rates, at least in the first part of the year. Although inflation is expected to be moderate (about 4%) in 1988 due to lower oil prices and a slower economy, its longer term trend is upward because of delayed impacts from the dollar's steep slide.

A major question mark for the FED and other policy makers this year will be the rate at which consumer spending slows down. Consumer spending, which accounts for about two-thirds of the total economy, has been the primary source of support for the current record-long economic expansion. Last year, even before October 19, consumers were beginning to cut back due to heavy debt burdens, weak income gains, low savings, and higher inflation. Although consumer confidence and retail sales held up better than expected following the stock market collapse, some further weakening is widely expected in 1988. This slowdown will be cushioned, in part, by several factors including large 1987 tax refunds, a 1988 federal income tax cut, record high employment, low unemployment, and a moderate inflation rate.

While slower consumer spending will be a drag on the economy, higher capital spending and export sales will be picking up some of the slack.

While slower consumer spending will be a drag on the economy, higher capital spending and export sales will be picking up some of the slack. The major reason for this is the dollar's sharp decline in foreign exchange value since 1985. Just as in the first half of the 1980s when the soaring value of the dollar priced many U.S. products out of the market and caused widespread industrial restructuring and layoffs, the falling dollar is now revitalizing these industries. Not only are foreign sales rising, but domestic sales are also expected to benefit as consumers buy more domestic products in the face of sharply rising import prices.

Due to the strong pick-up in overseas demand, some export-oriented industries are already bumping up against capacity limitations. The pulp and paper industry in Oregon is just one example. Most of the boost in capital spending in 1988 will be in machinery and equipment designed to modernize and increase capacity and productivity. This should bode well for a number of Oregon manufacturing industries, especially metals, machinery, and high technology firms.

The lower dollar is also encouraging more capital investment in the U.S. by foreign firms. Oregon, for example, will benefit in 1988 and beyond by large Japanese investments in new and expanded high technology plants.

Oregon's most important basic industry, forest products, is coming off a record-breaking year. While the pulp and paper side will be straining to meet demands, lumber and wood products will begin to lose some steam. The main reason will be a drop in U.S. housing starts due to growing uncertainty about the economy. If the stock market had not crashed last October, however, interest rates would be even higher in 1988 and the expected downturn in housing construction would probably be more severe. Lumber and plywood exports should continue to rise, offsetting some of the weakness in housing. Employment in the lumber and wood products industry is likely to slip this year due to lower overall production and also log supply shortages this winter as a result of last fall's forest fire restrictions. The possibility of a strike when labor contracts expire this summer also exists since workers will be trying to reinstate wages and benefits given up two years ago.

Oregon's diverse agricultural and food processing industries will also benefit from the lower dollar and improved export sales prospects. Production levels and employment, however, may not reflect this for several reasons. First, last year's drought conditions, especially in Eastern Oregon, will probably reduce crop yields in 1988. Wheat acreage reductions under the CRP program to help reduce the grain surplus will also be a factor. The biggest potential negative impact on farm and food processing employment this year would occur if strawberry growers decide to sharply reduce plantings due to large carryover supplies, low prices, and concerns over labor shortages and the new Immigration Reform law.

The outlook for Oregon's tourism and recreation-related industries in 1988 is for continued strength. High employment levels, both in Oregon and in key neighboring states, tax refund windfalls, and the apparent belief by many people that vacations are as much a necessity as a luxury, should ensure another good year. Even the dollar's decline may benefit tourism-related industries by encouraging more foreign visitors to the State.

To sum up, Oregon's economy, like the Nation's, will lose some steam in 1988, primarily due to weaker consumer spending for durable goods and a slowdown in housing construction and related sectors. But stronger capital spending and export demands, coupled with tax reduction and an accommodative monetary policy, should be able to sustain the current expansion through at least another year. Although total employment in Oregon is expected to continue growing, the unemployment rate may well rise a little from 1987's 6.1% average. Beyond 1988, prospects of a recession are much greater due to rising inflation, tighter fiscal policies, and a decline in consumer spending. □

Due to limited space, this table was omitted from December's issue of **Oregon Labor Trends**. The table was cited in an article announcing a new LMI publication entitled **Oregon Covered Employment and Payrolls by Industry and County, 1986**.

AVERAGE ANNUAL PAY IN 1986

Oregon	18,300
Eugene-Springfield MSA	17,100
Medford MSA	16,800
Portland PMSA	19,900
Salem MSA	16,300
Baker	14,900
Benton	18,500
Clackamas	18,200
Clatsop	17,100
Columbia	19,800
Coos	17,100
Crook	17,700
Curry	14,600
Deschutes	15,800
Douglas	18,000
Gilliam	15,800
Grant	16,900
Harney	16,900
Hood River	14,500
Jackson	16,800
Jefferson	16,800
Josephine	14,700
Klamath	16,400
Lake	17,000
Lane	17,100
Lincoln	14,600
Linn	18,600
Malheur	13,000
Marion	16,300
Morrow	16,400
Multnomah	20,400
Polk	15,800
Sherman	15,400
Tillamook	14,200
Umatilla	14,800
Union	16,100
Wallowa	15,400
Wasco	14,400
Washington	20,200
Wheeler	15,200
Yamhill	16,600

HOURS & EARNINGS

Graham Slater

The following is a continuation of last month's article which focused on the usefulness of the Hours & Earnings economic series and began with a discussion of average weekly hours. This month, we'll look at the average hourly earnings series which can be very useful for economic analysis and business planning.

Average Hourly Earnings (AHE)

The main use for average hourly earnings is undoubtedly as a tool for comparison. These comparisons fall into five categories:

1. Comparisons Between Industries: According to 1986 annual average data, the "average" production worker in paper & allied products earned $15.09 per hour, whereas the same worker in textiles managed only $6.38.

2. Comparisons Between Areas of a State: AHE for lumber & wood products in Eugene was $11.10 in 1986. In Salem, the corresponding figure was $10.31. Further analysis would be necessary to determine whether this was due to inherently different wage rates, or merely to some structural difference in the composition of the industry.

3. Comparisons Between States: Hours & earnings data are produced for all states and the Nation. Both individuals and companies may want to compare wage levels in different states. The following (1986) examples show that differences may be quite large:

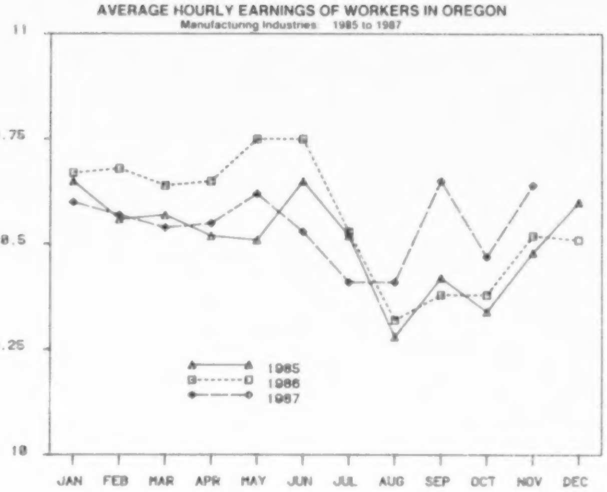
	Oregon	California
Heavy Construction	$14.59	$18.42
Primary Metals	$11.82	$10.02

4. Comparisons Between Different Time Periods: It is often important to know whether incomes have kept pace with the increasing cost of living. After allowing for inflation (in constant 1986 dollars), the average hourly earnings of a production worker in fabricated metals has fallen by 13.2% in the past ten years, while the corresponding income in the food processing industry has dropped 14.3%.

5. Comparing a Particular Firm with the Industry Norm: This use is especially important in the negotiations leading up to eventual agreement on labor contracts. Depending on what the statistics

show, either side in a labor/management dispute may wish to use the data to their advantage. For example, representatives of the labor point of view would certainly wish to use AHE data if the machinery firm X pays $9.42 compared to the industry average of $10.96. On the other hand, management negotiators for firm Y, also in the machinery industry, would be quick to point out that Y already pays $13.12, well above the norm. AHE may also be included as part of the contract, with an agreement that subsequent wage increases will reflect changes in that industry's average hourly earnings.

It is important to note that strict confidentiality rules govern the Employment Divison's use of hours and earnings data and that only industry averages are released. ☐



AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Nov.[2] 1987	Oct.[3] 1987	Nov. 1986	Nov.[2] 1987	Oct.[3] 1987	Nov. 1986	Nov.[2] 1987	Oct.[3] 1987	Nov. 1986
TOTAL MANUFACTURING[4]	$422.81	$405.46	$414.49	39.7	38.8	39.4	$10.65	$10.45	$10.52
Durable Goods	428.13	411.06	424.76	40.2	39.0	40.3	10.65	10.54	10.54
Lumber & Wood Products	428.93	399.62	434.11	39.9	37.7	40.8	10.75	10.60	10.64
Logging & Sawmills	451.19	403.21	457.47	39.2	35.4	40.7	11.51	11.39	11.24
Veneer & Plywood	425.77	414.86	437.19	40.9	40.2	42.2	10.41	10.32	10.36
Millwork & Structural	376.16	367.11	351.39	41.2	40.7	39.0	9.13	9.02	9.01
Mobile Homes	318.95	332.48	297.98	35.4	36.1	33.9	9.01	9.21	8.79
Other Wood Products	421.54	411.29	444.80	40.3	39.7	41.3	10.46	10.36	10.77
Furniture & Fixtures	383.17	341.69	334.56	38.9	36.9	40.8	9.85	9.26	8.20
Primary Metals	528.53	495.93	483.21	42.9	41.5	41.3	12.32	11.95	11.70
Fabricated Metals	372.67	369.20	364.60	39.9	40.0	38.5	9.34	9.23	9.47
Machinery (Ex Electrical)	451.00	452.24	446.71	41.3	41.3	40.1	10.92	10.95	11.14
Nondurable Goods	407.90	390.66	385.97	38.3	38.3	36.9	10.65	10.20	10.46
Food & Kindred Products	321.57	313.29	308.17	36.5	37.7	34.9	8.81	8.31	8.83
Canning & Preserving	265.18	269.97	249.80	34.8	37.6	32.4	7.62	7.18	7.71
Other Food Products	409.90	402.72	399.25	39.3	38.1	38.8	10.43	10.57	10.29
Textile Mill Products	264.58	240.07	248.18	38.4	36.1	38.3	6.89	6.65	6.48
Apparel	218.50	222.27	214.44	36.6	36.2	37.1	5.97	6.14	5.78
Paper & Allied Products	677.82	641.72	618.14	42.9	40.9	41.1	15.80	15.69	15.04
Printing & Publishing	449.76	442.44	429.79	37.7	37.4	36.3	11.93	11.83	11.84
Construction[4]	473.55	504.99	460.33	35.0	36.7	34.2	13.53	13.76	13.46
Communications & Utilities[5]	538.33	516.49	532.11	41.0	40.1	41.8	13.13	12.88	12.73
Trade[5]	289.48	293.38	288.49	33.7	33.8	33.9	8.59	8.68	8.51
Wholesale Trade	391.83	400.98	407.58	37.0	37.3	37.6	10.59	10.75	10.84
Retail Trade	242.47	241.39	235.47	32.2	32.1	32.3	7.53	7.52	7.29
Banking & Insurance[5]	327.55	316.87	314.85						
State & Local Government	364.97	371.41	352.51						

1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

THE OREGON POPULATION ESTIMATES (1987) RIDE AGAIN!

Duane Ackerson

In the 19th century, the U.S. Cavalry made an attempt to introduce the camel to the American west. The west was regarded as a close enough approximation to its native habitat to make the experiment a guaranteed glorious success. This try at transplantation was a total failure, and resulted very quickly in camel out-migration. Oregon, however, has endured a sort of camel trip into the eighties thanks to the 1980-82 recession. Hopefully, we're over the hump. Over, that is, if population trends are regarded as a good indicator of people's response to economic trends.

After a statewide dip of 14,300 (-.5%) from July 1, 1985 to July 1, 1986, Oregon registered a population increase of 28,500 in the corresponding 1986-87 period. This growth (1.1%) is quite impressive when we consider that the overall timespan 1980-87, with an increase of 1.9% (50,085), did not even double the 1986-87 increase. The 1986-87 bump up was the largest such swing since the July to July 1979-80 period, when Oregon's population grew by 55,565, or 2.2%.

Return with us now to those thril...well, anyway, to 1980. The July 1, 1980 population estimate, extrapolated in part from the April 1, 1980 census figure, came too early to reflect the impact of the impending 1980-82 recession, as did even the July 1, 1981 estimate, made when the first cycle of the recession was under way. However, the 1982 and 1983 estimates show a "double dip" in population that mirrors, in the delayed fashion we might expect, the "double dip" recession. Oregon got over both humps of this economic setback after the dromedary trip across the desert became, instead, a bumpier Bactrian camel ride. But the aftermath of the "double dip" was not all ice cream, either. Oregon residents in search of jobs went to California, the most popular state for out-migration, Texas, and other locales. Though times were improving by then, this outward movement may have been reflected somewhat in the earlier-mentioned 1985-86 population drop. Like the other two such events in the eighties in Oregon, this decline is attributable not to a negative natural increase (births minus deaths) but to out-migration in excess of in-migration.

The 1985-86 setback turned out to be temporary. While 1985 (at 2,675,00) reached a higher level than any year since 1981's 2,660,735, only to lose ground by mid-'86, 1987 was 15,000 people higher than even the previous 1985 peak.

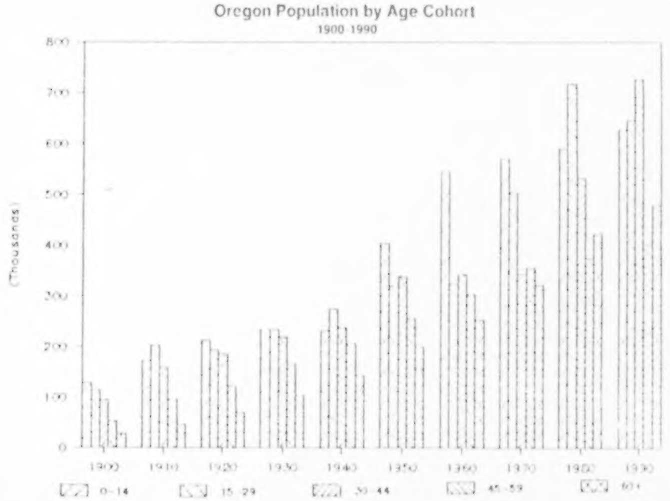
Let's take a moment to examine the longer term growth in Oregon's population since Great Grandma was knee-high to a census taker, looking at these changes by age cohort. The two graphs examine census data for these age groups by ten year increments from 1900 through the 1990 projection prepared by PSU's Center for Population Research and Census.

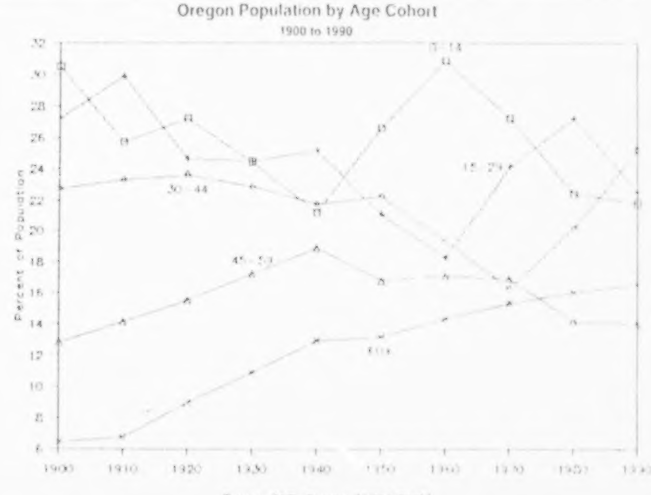
The largest percentage increase of any group was in the 60+ cohort, which represented 6.4% of the total in 1900, and will be near 16.6% in 1990. With continued advances in medical technology, we can expect the percentage in the 60+ group to continue to grow. This growth, combined with the post-WWII baby boom, may represent a real crisis for the social security system by 2010, if Oregon trends approximate those for the Nation. Of course, faced with increased longevity, the government may choose the expedient of increasing the age at which workers qualify for social security, thus postponing the crisis to 2020. The largest decrease in percent was in the 0-14 group, which will decline from 30.5% (1900) of the total to 21.8% (1990). The line graph clearly shows the aging of the baby boomers, with the 0-14 group peaking at 30.8% in 1960 and declining to 21.8% by 1990. The ripple effect of this boom is evident in the peaking of the 15-29 year old group in 1980, and shows up a decade later in the next group (30-44), predicted to reach a high of 25.2% by 1990.

In absolute terms, the increases are dramatic for all groups, reflecting a total population increase over ninety years of nearly 500%. The largest increase, in absolute terms, will be in the 30-44 year old group (631,423); the smallest (349,911), in the 45-59 group.

> ***Generally, metropolitan counties were the biggest beneficiaries of the 1986-87 growth. Of these, only Multnomah lost ground.***

Now, trading our time machine for another camel, let's return, more or less, to the present. Generally, metropolitan counties were the biggest beneficiaries of the 1986-87 growth. Of these, only Multnomah lost ground. The largest absolute change was registered


Oregon Population by Age Cohort
1900-1990


Oregon Population by Age Cohort
1900 to 1990

Source: U.S. Census (1990 Proj.)

by Clackamas (6,900), followed by Washington (6,700), Lane (6,050), Jackson (3,300), Yamhill (1,300), and Benton (1,100) counties. All other counties to show a gain grew less than 1,000, though several less populous counties, such as Gilliam (2.8%) and Morrow (2.6%), showed healthy percentage increases. The seven top population losers, in descending order, were these: Multnomah (-4,200), Wasco (-1,200), Umatilla (-600), Tillamook (-300), Baker (-200), Jefferson (-200), and Wheeler (-100).

Another thought: perhaps one thing reflected in the population trends for Oregon is not only movement from rural areas to urban ones, but also a tendency on the part of younger people to leave the State and of older, retirement-age people to settle here. Perhaps we're seeing, on a statewide scale, the tendency of small towns to lose young people to the "city" and retain an older population. This pattern is accentuated by the drawing in of additional retirees attracted to the slower pace and lower prices of the small town. A comparison with age cohorts on the national level would show if this trend reflects more than the current national demographic trend toward an "aging" of our population. A partial comparison of this sort is attempted in the table which shows population growth in absolute numbers and as a percent of total population for both Oregon and the U.S. from the 1900 through the 1980 censuses. During each of the first seven decades, Oregon's 55+ population, as a percent of the total, outstripped the U.S. In 1980, this population was at 20.9% of the total for both Oregon and the U.S., perhaps reflecting the strong job market in Oregon in the late 70s and the tendency of in-migration of younger workers to offset growth of this older population as a percent of the whole. The 1986 estimate for Oregon shows that this older population has again increased to 21.9% of the total. Bureau of the Census estimates (in "The Older Population of the United States: An Overview"; March 3, 1983) for the U.S. for this age group show it at 21.1% in both 1982 and 1990, the closest years available to 1986.

Even in Texas lately, the job market hasn't been a gusher, as one ex-governor there has found. But who knows, maybe a lone (would-be) Texas Ranger, or some other employment range rider, is still out there on a ship of the desert that hasn't come in yet. ☐

Population Growth, Age 55 +, Oregon & U.S.

	OREGON			UNITED STATES (000)		
Year	Total	55+	% of Total	Total	55+	% of Total
1900	413,536	39,840	9.6	76,303	7,093	9.3
1910	672,765	68,115	10.1	91,972	9,004	9.8
1920	783,389	103,133	13.2	105,711	11,465	10.8
1930	953,786	147,841	15.5	122,755	15,031	12.2
1940	1,089,684	201,181	18.5	131,669	19,591	14.9
1950	1,516,180	277,400	18.3	150,697	25,565	17.0
1960	1,768,675	341,691	19.3	179,323	32,132	17.9
1970	2,091,385	431,946	20.7	203,302	38,588	19.0
1980	2,633,105	550,945	20.9	226,505	47,244	20.9

Source: Census data

OREGON POPULATION ESTIMATES

COUNTY	Certified July 1, 1987 Estimates	Population Change 1986-87	Percentage Change 1986-87
BAKER	15,300	-200	-1.3%
BENTON	69,200	1,100	1.6%
CLACKAMAS	255,100	6,900	2.8%
CLATSOP	33,100	200	0.6%
COLUMBIA	36,100	0	0.0%
COOS	57,500	0	0.0%
CROOK	13,500	0	0.0%
CURRY	17,200	300	1.8%
DESCHUTES	65,600	200	0.3%
DOUGLAS	93,000	300	0.3%
GILLIAM	1,850	50	2.8%
GRANT	8,500	150	1.8%
HARNEY	7,200	100	1.4%
HOOD RIVER	16,500	300	1.9%
JACKSON	141,700	3,300	2.4%
JEFFERSON	11,800	-200	-1.7%
JOSEPHINE	61,700	250	0.4%
KLAMATH	56,900	200	0.4%
LAKE	7,300	0	0.0%
LANE	267,700	6,050	2.3%
LINCOLN	37,600	700	1.9%
LINN	87,000	950	1.1%
MALHEUR	26,500	300	1.1%
MARION	214,500	5,300	2.5%
MORROW	8,000	200	2.6%
MULTNOMAH	562,000	-4,200	-0.7%
POLK	45,800	200	0.4%
SHERMAN	2,100	0	0.0%
TILLAMOOK	21,000	-300	-1.4%
UMATILLA	58,100	-600	-1.0%
UNION	23,300	300	1.3%
WALLOWA	7,150	-50	-0.7%
WASCO	20,400	-1,200	-5.6%
WASHINGTON	280,000	6,700	2.5%
WHEELER	1,400	-100	-6.7%
YAMHILL	58,400	1,300	2.3%
STATE	2,690,000	28,500	1.1%

Source:
The Center for Population Research and Census
Portland State University

OREGON LABOR TRENDS

OREGON LABOR TRENDS is published monthly by the Research and Statistics Section of the Oregon Employment Division, W. E. Hunter, Administrator.

Send comments, questions, and address changes ATTN: Jeff Hannum, R&S-LMI or Phone (503) 378-2736 or toll free 1-800-237-3710 ext. 8-8657.

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OREGON LABOR TRENDS

JANUARY INDICATORS

UNEMPLOYMENT RATE

Oregon		*(Seas. Adj)*
Jan.	1988	5.9
Dec.	1987	5.8
Jan.	1987	7.2
U.S.		
Jan.	1988	5.8
Dec.	1987	5.8
Jan.	1987	6.7

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	*1977=100*	
Jan.	1988	119.7
Dec.	1987	118.8
Nov.	1987	118.4
Oct.	1987	117.7
Sept.	1987	117.4

PRODUCTION WORKERS AVERAGE HOURLY EARNINGS

Oregon		
Dec.	1987	10.73
Nov.	1987	10.64
Dec.	1986	10.51

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon		
Dec.	1987	39.4
Nov.	1987	39.7
Dec.	1986	39.6

CONSUMER PRICE INDEX (CPI-U)
1967=100
ALL URBAN CONSUMERS

Portland-Vancouver	
Jan. 1988	327.8
Yearly change	3.3%
Annual Average 1987	324.7
Yearly change	2.5%
U.S.	
Jan. 1988	346.7
Yearly change	4.1%
Annual Average 1987	340.4
Yearly change	3.7%

Portland Hotline 221-4132

RISING UNEMPLOYMENT RATE - DISCOURAGING?

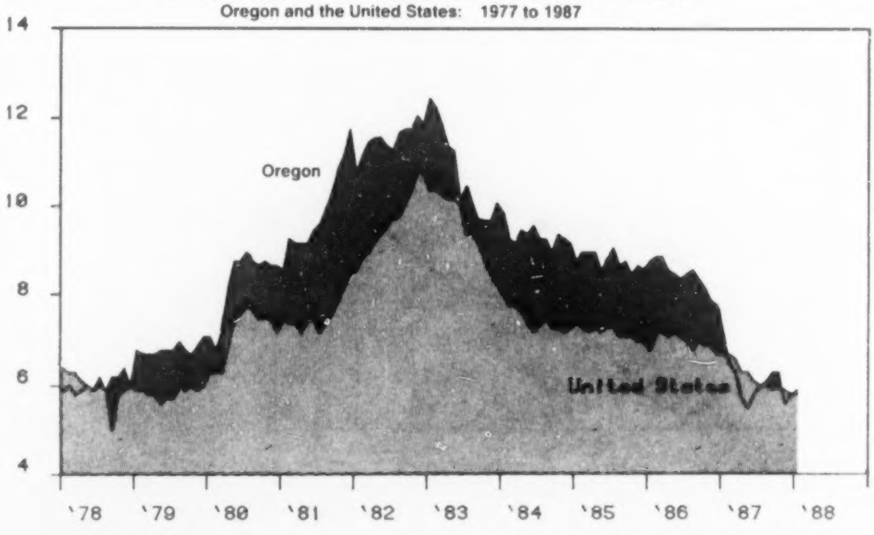
Jan Ciranny

As with so many occurrences in life, bad news commonly accompanies good news. So it is with the latest employment figures for Oregon. Beginning with the bad news, Oregon's seasonally adjusted unemployment rate increased for the second consecutive month. January's rate of 5.9% was .1 higher than the rate in December. The national rate at 5.8% was unchanged for the month.

Looking beyond the fact that the unemployment rate in the State has increased, several points will be made that can put this in a positive light. First of all, the employment index rose by .9 in January to 119.7, an all-time high. Its calculation involves dividing seasonally adjusted nonfarm wage and salary employment by the 1977 employment level. Secondly, an all-time annual average high of 1,094,000 nonfarm wage and salary employment was reached in 1987. The third point is that Oregon's nonfarm employment grew at a faster rate (3.4%) in 1987 than did the national rate (2.4%).

The fourth point that makes the slight rise in the unemployment rate seem less significant as a negative economic indicator involves a theory regarding discouraged worker attitudes. With record high employment reported in 1987 and January registering the highest employment index value ever, some discouraged workers, due to increased optimism, may have entered the labor force in hopes of attaining employment. If they were not employed during the survey week, but were actively seeking employment, they would be counted as unemployed. To be unemployed, one must be 16 years or older, willing to work, able to work, and actively seeking work. Discouraged workers may meet the first three criteria, but if they are not actively seeking employment they will not be counted as part of the labor force or the unemployed.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES *
Oregon and the United States: 1977 to 1987



* Civilian labor force only

National data reported by the Bureau of Labor Statistics reveals that the number of discouraged workers (seasonally adjusted) decreased 8.3% between the third and fourth quarters of 1987. Further evidence for this theory locally can be found when comparing the figures in the Resident Oregon Labor Force Table with seasonally adjusted data. Looking at the table, a labor force decrease of 11,500 occurred in January, but this loss was much less than normal for this time of year.

After all has been said and while it is true that the unemployment rate increased, this analysis implies that a higher unemployment rate is not necessarily a negative economic indicator. Whether it is depends on the reason for unemployment. The number of job seekers can rise when the economy slows and workers lose their jobs. But it can also rise if an expanding economy causes discouraged workers or others who are not in the active labor force to begin a job search.

...a higher unemployment rate is not necessarily a negative economic indicator. Whether it is depends on the reason for unemployment.

The Nonagricultural Wage and Salary Employment Table indicates that total payroll employment fell 22,000, with trade and services accounting for 60% of the decrease. Employment declined in virtually every major category. The table, however, only tells half of the story. The other half of the story is much brighter since it removes the seasonal variations that are expected for this time of year. The numbers in the table reflect both economic and seasonal causes for movements in employment levels. As mentioned above, total payroll employment fell 22,000, but 30,600 was the expected drop for the month. The service industry was the only one to significantly drop employment below seasonal expectations; employment fell 4,700, 30% more than anticipated. The decline was largely due to a reduction in temporary help agency jobs. In contrast to the poor performance in services, the drop in trade employment was 40% less (5,500 jobs) than expected.

Lumber and wood products fared better than anticipated since January is usually a month of heavy employment cutbacks; employment dropped by only 700 when 2,000 fewer jobs would not have been surprising. Roughly 40% of lumber produced is used in new housing construction, and based on the latest national housing start data reported by the U.S. Department of Commerce, there is reason to believe that the lumber market may begin to weaken. Housing starts in January were down for the second consecutive month and were at the lowest seasonally adjusted annual rate (1.38 million units) since December 1982, which was the end of the last recession (1.30 million units). Housing starts are a leading economic indicator; however, since other economic sectors are performing strongly, a recession is not immediately imminent. Oregon actually had an increase of about 6% in the number of housing starts during 1987 whereas the number nationally declined by 10%.

Manufacturing proved to be very positive news for Oregon's economy. In the past twelve months, manufacturing jobs increased by 11,200, accounting for 25.3% of the total job growth. Employment in manufacturing is now about 19% of total payroll employment. An increase in manufacturing jobs often (but not always) affects the economy more strongly than an increase in nonmanufacturing since the average weekly wage (second quarter 1987) for manufacturing was $465 compared to $315 for nonmanufacturing - a sizable difference of $150. Manufacturing also is more likely to bring new dollars into Oregon, rather than recirculating dollars already in the State's economy.

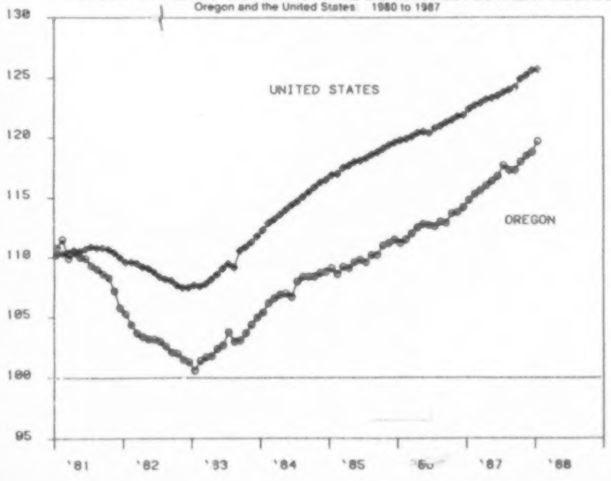
In 1984, Oregon exported out of the country approximately 12.9% of total manufacturers' shipments. These exports of manufactured goods generated 51,600 export-related jobs, or 5.7% of total private employment. Only eight other states had a higher percent of export-related jobs.

Only eight other states had a higher percent of export-related jobs.

Of these export-related jobs, 24,900 were in manufacturing industries, accounting for 13% of total manufacturing employment (1984 Annual Survey of Manufacturers). The remaining 26,700 export-related jobs were found in trade (13,900), business services (2,300), transportation, communication and utilities (3,000), and other nonmanufacturing sectors (7,600).

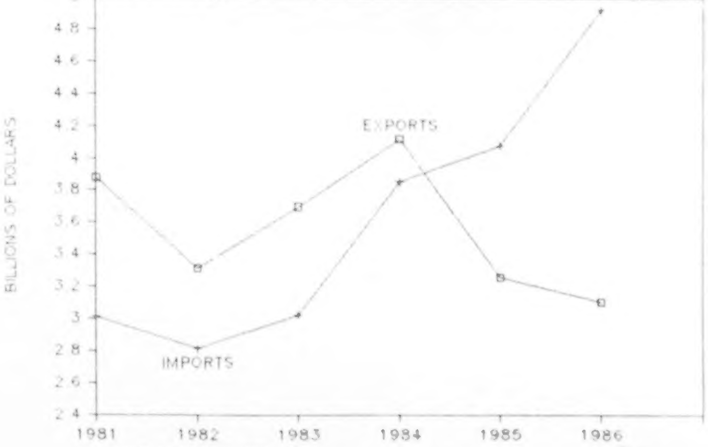
SEASONALLY ADJUSTED NON-AG WAGE & SALARY EMPLOYMENT INDEXES

Oregon and the United States 1980 to 1987



FOREIGN TRADE THROUGH OREGON

Commodity Exports and Imports* (81-86)



SOURCE: US Dept. of Commerce

* Both Exports and Imports Valued at Ports of Destination.

Keep in mind that these data include only those jobs related to the export of manufactured goods. They do not include jobs associated with the production and export of raw, unprocessed agricultural commodities or the direct export of various kinds of services. With many Oregon jobs dependent on exports, a brief analysis of the foreign trade market is appropriate.

The dollar's foreign exchange value has fallen drastically since 1985. The Morgan Guaranty Index has dropped 38% in the last 12 quarters. The index compares the dollar against 15 trade-weighted foreign currencies. When the dollar depreciates, the trade balance goes through a three-stage adjustment process. The first stage can plunge the trade balance into greater deficit since prices and quantities of imports and exports are not flexible enough to change instantaneously in response to a currency depreciation. When the dollar initially falls in value, we are slow to change our consumption pattern of imports even though they are now more expensive.

The second stage occurs when prices of goods and services change to reflect the dollar's new value. Export prices may go up slightly or remain constant due to increased demand and less competition from imports. Import prices will experience downward pressure since the higher foreign currency price already means a greater cost to the U.S. consumer. Foreign firms often cut profit margins on their exports in an effort to continue selling at the same cost to the U.S. and to maintain their market share. At this time, the trade balance improves slightly, depending on the magnitude of the price increase in exports.

The third stage is the quantity adjustment period. Exports should increase in volume, and imports should decrease. The U.S. is able to sell more products overseas because American goods are now relatively less expensive to foreign buyers. In addition, U.S. producers will often experience higher domestic sales as consumers substitute American goods for more costly imports.

If the Oregon economy is near full employment when the demand for export-related workers is increased, Oregon could experience a tighter labor market and even some skill shortages.

A trade deficit for Oregon appeared in the second quarter of 1984. By the end of 1986, it had grown to $1.8 billion (International Trade Institute, PSU). The annual data for 1987 is not available at this time, but expect to see the trade deficit reduced, with the majority of the improvements due to increased exports. Data for the first two quarters of 1987 indicate that export values are 8.9% greater than the values during the same time period one year previous. To accompany the good news, import values are down 3.1% when comparing the same two time periods. News on the trade deficit is headline material since it relates to jobs. However, unemployment rates have been close to the natural (full-employment) rate of 4-6%. If the Oregon economy is near full employment when the demand for export-related workers is increased, Oregon could experience a tighter labor market and even some skill shortages. An increase in the labor force due to inmigration and/or rising labor force participation among current residents could also occur in response to the prospect of improved job opportunities. And if this increase in the labor force were strong enough, as discussed earlier, it's possible that Oregon's unemployment rate could rise temporarily even in the face of an expanding economy. □

NEW LMI PUBLICATIONS

The 1987 **Business & Employment Outlook** publications are now available for 14 local areas in Oregon. The purpose of these reports is to provide accurate and timely labor market information about Oregon localities to Job Training Partnership Act program operators, citizens, businesses and others who are involved in the employment, training and economic development fields. The reports contain data and analyses on various topics including population, labor force, unemployment, industrial, occupational and income trends. A brief executive summary is also available for each of the **Business & Employment Outlook** reports.

To obtain copies of these annual reports or executive summaries please contact.

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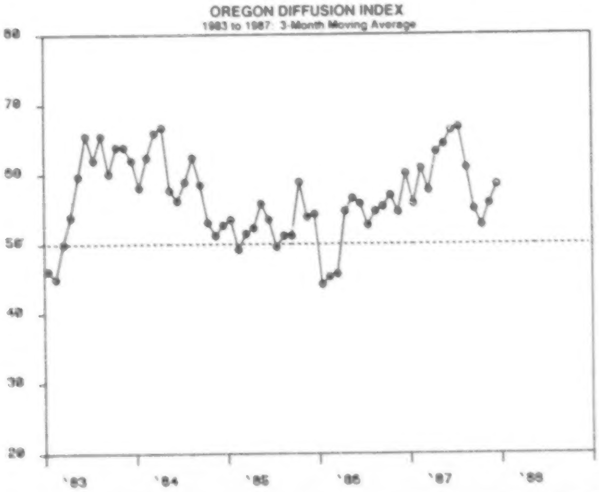
DIFFUSION INDEX RETIRED

While the overall economy seems to have weathered last fall's stock market plunge in surprisingly good shape, Oregon's diffusion index was not so lucky. Based on this indicator's marginal utility to predict future economic trends and a lack of "user" interest, we have decided to retire Oregon's diffusion index numbers and induct them into the mythical LMI Hall of Fame. The accompanying graph has been revised to reflect the 1986 and 1987 employment benchmark revisions. Going...Going...Gone! □


OREGON DIFFUSION INDEX
1983 to 1987: 3-Month Moving Average

RESIDENT OREGON LABOR FORCE

	JAN.[1] 1988	DEC.[2] 1987	CHANGE	%CHANGE	JAN.[5] 1987
CIVILIAN LABOR FORCE[3]	1,402,100	1,413,600	-11,500	-0.8	1,370,500
UNEMPLOYMENT	99,900	87,300	12,600	14.4	115,000
PERCENT OF LABOR FORCE	7.1	6.2	XXX	XXX	8.4
SEASONALLY ADJUSTED PERCENT	5.9	5.8	XXX	XXX	7.2
TOTAL EMPLOYMENT[4]	1,302,200	1,326,300	-24,100	-1.8	1,255,500

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1987 and January 1988, data for 1988 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (BY PLACE OF WORK)

				CHANGE FROM	
INDUSTRY	JAN.[1] 1988	DEC.[2] 1987	JAN. 1987	DEC. 1987	JAN. 1987
TOTAL[3]	1,094,500	1,116,500	1,050,200	-22,000	44,300
WAGE & SALARY EMPLOYMENT INDEX[4]	119.7	118.8	114.8	XXX	XXX
TOTAL MANUFACTURING	203,100	205,200	191,900	-2,100	11,200
DURABLE GOODS	149,500	151,200	140,500	-1,700	9,000
LUMBER & WOOD PRODUCTS	67,100	67,800	64,600	-700	2,500
LOGGING & SAWMILLS	34,000	34,600	33,100	-600	900
VENEER & PLYWOOD	17,700	17,700	17,300	0	400
MILLWORK & STRUCTURAL WOOD	10,200	10,300	9,500	-100	700
MOBILE HOMES	1,400	1,400	1,200	0	200
OTHER WOOD PRODUCTS	3,800	3,800	3,500	0	300
FURNITURE AND FIXTURES	2,300	2,500	2,400	-200	-100
STONE, CLAY, GLASS & CONCRETE	3,300	3,300	3,000	0	300
PRIMARY METALS	9,800	9,700	8,500	100	1,300
BLAST FURNACES, IRON & STEEL	5,900	5,800	5,200	100	700
NONFERROUS METALS	3,900	3,900	3,300	0	600
FABRICATED METALS	10,200	10,400	9,700	-200	500
FABRICATED STRUCTURAL METALS	4,400	4,400	4,200	0	200
OTHER FABRICATED METALS	5,800	6,000	5,500	-200	300
MACHINERY	15,900	15,800	15,000	100	900
ELECTRICAL EQUIPMENT & SUPPLIES	14,100	13,900	12,800	200	1,300
TRANSPORTATION EQUIPMENT	11,200	12,300	9,800	-1,100	1,400
INSTRUMENTS & RELATED PRODUCTS	12,300	12,300	12,100	0	200
MISCELLANEOUS MANUFACTURING	3,300	3,200	2,600	100	700
NONDURABLE GOODS	53,600	54,000	51,400	-400	-2,200
FOOD & KINDRED PRODUCTS	20,000	20,500	19,300	-500	700
CANNING & PRESERVING	9,300	9,300	8,700	0	600
OTHER FOOD PRODUCTS	10,700	11,200	10,600	-500	100
TEXTILE MILL PRODUCTS	1,800	1,800	1,700	0	100
APPAREL	2,600	2,600	2,400	0	200
PAPER & ALLIED PRODUCTS	9,100	9,000	9,200	100	-100
PRINTING & PUBLISHING	13,300	13,300	12,400	0	900
CHEMICALS & ALLIED PRODUCTS	2,000	2,000	2,000	0	0
PETROLEUM REFINING	400	400	400	0	0
RUBBER & PLASTIC PRODUCTS	4,000	4,000	3,500	0	500
LEATHER PRODUCTS	400	400	500	0	-100
TOTAL NONMANUFACTURING	891,400	911,300	858,300	-19,900	33,100
MINING & QUARRYING	1,200	1,300	1,300	-100	-100
CONSTRUCTION	30,800	33,800	29,600	-3,000	1,200
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	58,300	60,100	56,800	-1,800	1,500
TRANSPORTATION	37,000	38,900	35,700	-1,900	1,300
RAILROAD	3,800	3,800	4,000	0	-200
TRUCKING & WAREHOUSING	21,000	22,700	20,400	-1,700	600
OTHER TRANSPORTATION	12,200	12,400	11,300	-200	900
COMMUNICATIONS	12,600	12,500	12,500	100	100
UTILITIES	8,700	8,700	8,600	0	100
TRADE	280,200	288,700	264,200	-8,500	16,000
WHOLESALE TRADE	71,000	71,300	65,900	-300	5,100
DURABLE GOODS	41,900	41,700	39,000	200	2,900
NONDURABLE GOODS	29,100	29,600	26,900	-500	2,200
RETAIL TRADE	209,200	217,400	198,300	-8,200	10,900
GENERAL MERCHANDISE	28,500	31,800	26,500	-3,300	2,000
FOOD STORES	34,000	34,200	32,200	-200	1,800
AUTO DEALERS & SERVICE STATIONS	25,900	25,300	24,700	600	1,200
OTHER RETAIL TRADE	120,800	126,100	114,900	-5,300	5,900
FINANCE, INSURANCE, & REAL ESTATE	71,600	71,900	70,100	-300	1,500
BANKING & CREDIT AGENCIES	23,800	23,800	23,800	0	0
OTHER FINANCE, INSURANCE, & REAL ESTATE	47,800	48,100	46,300	-300	1,500
SERVICES	241,200	245,900	233,000	-4,700	8,200
HOTELS & PERSONAL SERVICES	25,000	24,800	24,300	200	700
HEALTH SERVICES	76,100	76,200	73,300	-100	2,800
OTHER SERVICES	140,100	144,900	135,400	-4,800	4,700
GOVERNMENT	208,100	209,600	203,300	-1,500	4,800
FEDERAL GOVERNMENT	29,600	30,400	28,600	-800	1,000
STATE GOVERNMENT	58,000	58,400	55,200	-400	2,800
EDUCATION	24,400	25,200	24,100	-800	300
OTHER STATE	33,600	33,200	31,100	400	2,500
LOCAL GOVERNMENT	120,500	120,800	119,500	-300	1,000
EDUCATION	77,100	77,400	77,100	-300	0
OTHER LOCAL	43,400	43,400	42,400	0	1,000
LABOR MANAGEMENT DISPUTES	100	100	0	0	100

1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's Annual Average Employment (774,300) and that of 1977 (936,900).

State of Oregon
EMPLOYMENT DIVISION
Department of Human Resources

Research and Statistics
March 1987 Benchmark
February 1988

OREGON RESIDENT LABOR FORCE, UNEMPLOYMENT & EMPLOYMENT 1987 1/

	Annual 2/ Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
CIVILIAN LABOR FORCE													
UNEMPLOYMENT													
Percent of Labor Force													
Seasonally Adjusted Percent													
TOTAL EMPLOYMENT													

DATA NOT YET AVAILABLE

OREGON NONAGRICULTURAL WAGE & SALARY EMPLOYMENT 1987 3/ **

	Annual 2/ Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
TOTAL WAGE & SALARY	1,094.0	1,050.2	1,057.8	1,067.2	1,078.8	1,094.1	1,109.2	1,096.5	1,101.6	1,113.8	1,121.1	1,121.4	1,116.5
Wage & Salary Empl. Index (1977=100) 4/	116.8	114.8	115.0	115.7	116.0	116.4	116.6	117.3	117.2	117.4	117.7	118.4	118.8
Diffusion Index 5/	59.8	55.8	60.8	57.7	63.2	64.3	66.3	66.7	60.9	55.0	52.7	55.8	58.5
MANUFACTURING, TOTAL	204.9	191.9	194.3	195.4	197.0	201.1	208.2	215.0	216.5	215.7	210.0	208.9	205.2
Durable Goods	148.1	140.5	141.0	142.1	143.7	147.6	150.3	152.2	153.4	153.0	150.5	152.0	151.2
Lumber & Wood Products	67.4	64.6	64.0	64.2	65.4	67.3	69.6	70.4	70.3	69.5	67.3	68.8	67.8
Logging & Sawmills	34.4	33.1	32.4	32.3	32.9	34.2	35.8	36.4	36.5	35.7	34.1	35.3	34.6
Veneer & Plywood	17.7	17.3	17.3	17.5	17.5	17.7	17.9	18.0	17.8	17.9	17.8	17.8	17.7
Millwork & Structural Wood	10.1	9.5	9.5	9.6	9.9	10.2	10.6	10.6	10.6	10.5	10.1	10.3	10.3
Mobile Homes	1.4	1.2	1.2	1.2	1.3	1.3	1.4	1.5	1.5	1.5	1.5	1.5	1.4
Other Wood Products	3.8	3.5	3.6	3.6	3.8	3.9	3.9	3.9	3.9	3.9	3.8	3.9	3.8
Furniture & Fixtures	2.5	2.4	2.4	2.4	2.4	2.4	2.5	2.5	2.5	2.5	2.6	2.6	2.5
Stone, Clay, Glass & Concrete Prod.	3.4	3.0	3.2	3.2	3.3	3.5	3.5	3.6	3.7	3.7	3.7	3.5	3.3
Primary Metals	9.3	8.5	8.7	8.9	9.0	9.1	9.4	9.4	9.6	9.6	9.6	9.7	9.7
Blast Furnaces, Iron & Steel Found.	5.6	5.2	5.3	5.4	5.4	5.4	5.6	5.6	5.7	5.7	5.7	5.8	5.8
Nonferrous Metals	3.7	3.3	3.4	3.5	3.6	3.7	3.8	3.8	3.9	3.9	3.9	3.9	3.9
Fabricated Metals	10.2	9.7	9.7	9.9	9.9	10.1	10.3	10.5	10.6	10.8	10.6	10.4	10.4
Fabricated Structural Metals	4.5	4.2	4.3	4.4	4.4	4.5	4.6	4.7	4.8	4.8	4.6	4.5	4.4
Other Fabricated Metals	5.7	5.5	5.4	5.5	5.5	5.6	5.7	5.8	5.8	6.0	6.0	5.9	6.0
Machinery	15.5	15.0	15.2	15.2	15.4	15.5	15.5	15.5	15.6	15.7	15.8	15.9	15.8
Electrical Equipment & Supplies	13.4	12.8	12.9	13.0	13.2	13.3	13.4	13.5	13.8	13.8	13.8	13.8	13.9
Transportation Equipment	11.1	9.8	10.1	10.4	10.3	11.4	10.9	11.5	11.8	11.9	11.5	11.7	12.3
Instruments & Related Products	12.1	12.1	12.1	12.1	12.0	12.0	12.1	12.1	12.1	12.1	12.1	12.2	12.3
Miscellaneous Manufacturing	3.1	2.6	2.7	2.8	2.8	3.0	3.1	3.2	3.4	3.4	3.5	3.4	3.2
Nondurable Goods	56.8	51.4	53.3	53.3	53.3	53.5	57.9	62.8	63.1	62.7	59.5	56.9	54.0
Food & Kindred Products	23.8	19.3	21.0	20.7	20.8	21.0	25.0	29.5	29.6	29.2	26.1	23.3	20.5
Canning & Preserving	12.9	8.7	10.4	10.2	10.2	10.3	14.0	18.4	18.6	18.1	15.0	12.1	9.3
Other Food Products	10.9	10.6	10.6	10.5	10.6	10.7	11.0	11.1	11.0	11.1	11.1	11.2	11.2
Textile Mill Products	1.8	1.7	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Apparel	2.5	2.4	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.6	2.6	2.6
Paper & Allied Products	9.2	9.2	9.2	9.2	9.2	9.1	9.3	9.4	9.4	9.3	9.1	9.1	9.0
Printing & Publishing	12.7	12.4	12.4	12.5	12.4	12.4	12.4	12.6	12.8	12.8	12.9	13.2	13.3
Chemicals & Allied Products	2.1	2.0	2.0	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.0	2.0	2.0
Petroleum Refining	0.5	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.4
Rubber & Plastic Products	3.8	3.5	3.6	3.6	3.7	3.7	3.8	3.9	3.9	4.0	4.0	4.0	4.0
Leather Products	0.5	0.5	0.5	0.5	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.4

1987 Continued

	Annual Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
NONMANUFACTURING, TOTAL	889.1	858.3	863.5	871.8	881.8	893.0	901.0	881.5	885.1	898.1	911.1	912.5	911.3
Mining & Quarrying	1.4	1.3	1.3	1.3	1.4	1.4	1.5	1.5	1.5	1.5	1.5	1.5	1.3
Construction	34.5	29.6	29.4	29.9	32.1	34.5	36.0	37.8	39.2	38.6	37.4	35.9	33.8
Transp., Comm. & Utilities	58.3	56.8	57.0	57.2	57.6	57.8	58.4	58.6	58.5	59.4	59.1	59.0	60.1
Transportation	37.0	35.7	35.9	36.0	36.4	36.7	37.1	37.0	37.0	37.9	37.8	37.8	38.9
Railroad	3.9	4.0	3.9	3.9	4.0	4.0	3.9	3.9	4.0	4.0	4.0	3.9	3.8
Trucking & Warehousing	21.2	20.4	20.5	20.4	20.5	20.8	21.3	21.5	21.6	21.8	21.5	21.8	22.7
Other Transportation	11.8	11.3	11.5	11.7	11.9	11.9	11.9	11.6	11.4	12.1	12.3	12.1	12.4
Communications	12.5	12.5	12.5	12.5	12.4	12.3	12.4	12.7	12.6	12.6	12.6	12.5	12.5
Utilities	8.8	8.6	8.6	8.7	8.8	8.8	8.9	8.9	8.9	8.9	8.7	8.7	8.7
Trade	276.3	264.2	262.5	265.2	269.1	273.4	277.6	279.0	282.9	283.5	282.5	286.7	288.7
Wholesale Trade	69.1	65.9	65.8	66.5	67.4	67.8	68.9	69.9	71.6	71.5	71.3	70.8	71.3
Durable Goods	40.5	39.0	38.9	39.2	39.6	39.8	40.5	41.0	41.6	41.5	41.4	41.3	41.7
Nondurable Goods	28.6	26.9	26.9	27.3	27.8	28.0	28.4	28.9	30.0	30.0	29.9	29.5	29.6
Retail Trade	207.2	198.3	196.7	198.7	201.7	205.6	208.7	209.1	211.3	212.0	211.2	215.9	217.4
General Merchandise	27.2	26.5	25.3	25.2	25.6	25.8	26.3	26.8	27.2	27.1	27.9	30.6	31.8
Food Stores	33.7	32.2	32.1	32.2	32.6	33.2	33.7	34.3	34.7	34.8	34.9	35.2	34.2
Auto Dealers & Service Stations	26.0	24.7	24.9	25.2	26.0	26.5	26.8	26.9	26.7	26.5	26.2	25.7	25.3
Other Retail Trade	120.4	114.9	114.4	116.1	117.5	120.1	121.9	121.1	122.7	123.6	122.2	124.4	126.1
Finance, Ins. & Real Estate	71.7	70.1	70.2	70.7	71.3	71.8	72.5	73.1	72.7	72.3	71.9	71.5	71.9
Banking & Credit Agencies	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.7	23.6	23.6	23.8
Other Finance, Ins. & Real Estate	47.9	46.3	46.4	46.9	47.5	48.0	48.7	49.3	48.9	48.6	48.3	47.9	48.1
Services	242.4	233.0	236.7	239.0	242.1	243.3	242.9	243.6	243.9	245.4	247.1	245.7	245.9
Hotels & Personal Services	26.0	24.3	24.5	25.2	25.8	26.4	27.0	27.3	27.6	27.0	26.3	25.4	24.8
Health Services	74.7	73.3	73.4	73.9	74.0	73.9	74.7	75.0	75.3	75.2	75.6	75.7	76.2
Other Services	141.7	135.4	138.8	139.9	142.3	143.0	141.2	141.3	141.0	143.2	145.2	144.6	144.9
Government	204.5	203.3	206.4	208.5	208.2	210.8	212.1	187.9	186.4	197.4	211.6	212.2	209.6
Federal	30.2	28.6	28.0	28.6	29.7	30.1	30.8	31.2	31.4	31.3	31.1	30.7	30.4
State Government	56.9	55.2	56.6	57.8	57.7	57.5	58.7	54.2	53.7	53.9	59.5	59.0	58.4
Education	23.6	24.1	25.2	25.4	25.0	24.9	24.9	19.8	19.2	19.1	24.9	25.6	25.2
Other State	33.2	31.1	31.4	32.4	32.7	32.6	33.8	34.4	34.5	34.8	34.6	33.4	33.2
Local Government	117.5	119.5	121.8	122.1	120.8	123.2	122.6	102.5	101.3	112.2	121.0	122.5	120.8
Education	73.4	77.1	79.2	79.2	77.6	79.0	77.1	56.3	55.1	67.4	77.1	78.8	77.4
Other Local	44.1	42.4	42.6	42.9	43.2	44.2	45.5	46.2	46.2	44.8	43.9	43.7	43.4
LABOR-MANAGEMENT DISPUTES	0.2	0.0	0.0	0.0	1.4	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1

** Data are in thousands

1/ Includes employed and unemployed individuals 16 years and older by place of residence. Data are adjusted for multiple job-holding and commuting. Includes nonagriculture wage and salary, self-employed, unpaid family workers, domestics, agriculture and labor disputants.

2/ Sum of monthly estimates divided by 12. Unemployment rate derived by dividing unemployment by civilian labor force.

3/ This nonagricultural wage and salary employment series is based on the 1972 Standard Industrial Classification (SIC) manual as amended by the 1977 supplement. The data are by place of work and persons working multiple jobs are counted more than once. Workers involved in labor-management disputes are excluded from the wage and salary employment totals.

4/ Total nonagricultural wage and salary employment, seasonally adjusted and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774.3) and that of 1977 (936.9).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

State of Oregon
EMPLOYMENT DIVISION
Department of Human Resources

Research and Statistics
March 1987 Benchmark
February 1988

OREGON RESIDENT LABOR FORCE, UNEMPLOYMENT & EMPLOYMENT 1986 1/

	Annual 2/ Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
CIVILIAN LABOR FORCE													
UNEMPLOYMENT													
Percent of Labor Force					DATA NOT YET AVAILABLE								
Seasonally Adjusted Percent													
TOTAL EMPLOYMENT													

OREGON NONAGRICULTURAL WAGE & SALARY EMPLOYMENT 1986 3/ **

	Annual 2/ Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
TOTAL WAGE & SALARY	1,058.5	1,020.3	1,024.8	1,033.0	1,047.2	1,059.9	1,073.6	1,054.7	1,065.0	1,078.0	1,086.0	1,081.3	1,077.7
Wage & Salary Empl. Index (1977=100) 4/	113.0	111.5	111.4	112.0	112.6	112.8	112.8	112.9	113.3	113.4	114.0	114.2	114.7
Diffusion Index 5/	53.1	44.2	45.3	45.7	54.7	56.6	55.8	52.7	54.7	55.4	57.0	54.6	60.1
MANUFACTURING, TOTAL	198.4	190.6	190.6	190.5	192.6	196.1	202.1	200.8	206.7	208.6	205.4	199.7	196.9
Durable Goods	143.4	140.4	139.9	139.7	141.9	144.4	146.3	143.2	145.6	146.8	145.9	144.0	142.8
Lumber & Wood Products	64.6	60.5	60.9	61.1	62.8	64.3	66.2	64.9	66.6	67.7	67.2	66.9	66.1
Logging & Sawmills	33.4	30.9	30.9	30.7	31.8	32.9	34.2	33.1	35.5	35.6	35.4	34.9	34.3
Veneer & Plywood	16.8	16.1	16.2	16.6	16.8	17.0	17.2	16.9	15.9	16.9	17.1	17.5	17.5
Millwork & Structural Wood	9.5	8.7	8.9	8.9	9.1	9.2	9.7	9.8	10.1	10.1	9.8	9.6	9.6
Mobile Homes	1.3	1.3	1.3	1.3	1.4	1.4	1.3	1.3	1.4	1.4	1.3	1.3	1.2
Other Wood Products	3.7	3.5	3.6	3.6	3.7	3.8	3.8	3.8	3.7	3.7	3.6	3.6	3.5
Furniture & Fixtures	2.7	2.6	2.5	2.5	2.6	2.6	2.7	2.7	2.8	3.0	2.9	2.7	2.6
Stone, Clay, Glass & Concrete Prod.	3.3	3.0	3.0	3.1	3.2	3.3	3.4	3.5	3.5	3.5	3.5	3.3	3.2
Primary Metals	8.6	8.7	8.7	8.8	8.5	8.5	8.5	8.6	8.6	8.6	8.6	8.5	8.6
Blast Furnaces, Iron & Steel Found.	5.3	5.4	5.4	5.5	5.3	5.3	5.3	5.4	5.4	5.3	5.3	5.2	5.3
Nonferrous Metals	3.3	3.3	3.3	3.3	3.2	3.2	3.2	3.2	3.2	3.3	3.3	3.3	3.3
Fabricated Metals	10.6	11.1	10.8	10.7	10.7	10.7	10.8	10.5	10.6	10.5	10.2	10.2	10.0
Fabricated Structural Metals	4.8	5.3	5.1	5.1	5.0	5.0	5.0	4.6	4.6	4.5	4.3	4.3	4.2
Other Fabricated Metals	5.8	5.8	5.7	5.6	5.7	5.7	5.8	5.9	6.0	6.0	5.9	5.9	5.8
Machinery	15.0	14.9	14.9	14.8	15.0	15.0	15.0	15.1	15.1	15.0	15.0	15.0	15.2
Electrical Equipment & Supplies	12.9	13.3	13.2	12.7	12.7	12.8	12.9	13.0	13.0	13.0	13.0	12.8	12.8
Transportation Equipment	10.1	9.9	9.5	9.7	10.2	11.1	10.9	9.2	10.3	10.7	10.7	9.9	9.6
Instruments & Related Products	13.1	14.1	14.1	13.9	13.8	13.6	13.4	13.1	12.5	12.2	12.2	12.1	12.1
Miscellaneous Manufacturing	2.5	2.3	2.3	2.4	2.4	2.5	2.5	2.6	2.6	2.6	2.6	2.6	2.6
Nondurable Goods	55.0	50.2	50.7	50.8	50.7	51.7	55.8	57.6	61.1	61.8	59.5	55.7	54.1
Food & Kindred Products	23.7	19.8	20.4	20.4	20.2	21.1	24.7	26.1	29.3	29.7	27.3	23.6	21.9
Canning & Preserving	13.0	9.5	10.1	10.1	9.9	10.7	14.1	15.3	18.3	18.6	15.9	12.3	10.7
Other Food Products	10.8	10.3	10.3	10.3	10.3	10.4	10.6	10.8	11.0	11.1	11.4	11.3	11.2
Textile Mill Products	1.6	1.6	1.6	1.5	1.5	1.5	1.5	1.6	1.6	1.7	1.7	1.7	1.7
Apparel	2.3	2.3	2.3	2.4	2.3	2.2	2.3	2.2	2.3	2.3	2.3	2.4	2.4
Paper & Allied Products	9.1	9.0	8.9	8.9	8.9	8.9	9.2	9.3	9.3	9.3	9.1	9.1	9.2
Printing & Publishing	12.0	11.5	11.5	11.5	11.7	11.8	11.8	12.0	12.2	12.3	12.5	12.4	12.5
Chemicals & Allied Products	2.0	2.0	2.0	2.0	2.0	2.0	2.1	2.1	2.1	2.0	2.0	2.0	2.0
Petroleum Refining	0.5	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.6	0.5	0.5
Rubber & Plastic Products	3.4	3.2	3.2	3.3	3.3	3.3	3.3	3.4	3.4	3.5	3.5	3.5	3.5
Leather Products	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.4

1986 Continued

	Annual Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
NONMANUFACTURING, TOTAL	860.1	829.7	834.2	842.5	854.6	863.8	871.5	853.9	858.3	869.4	880.6	881.6	880.8
Mining & Quarrying	1.4	1.3	1.2	1.2	1.5	1.6	1.5	1.5	1.5	1.5	1.5	1.5	1.4
Construction	34.3	30.7	30.0	31.4	33.3	34.2	35.8	37.1	38.1	37.8	36.8	34.1	32.4
Transp., Comm. & Utilities	57.2	55.8	55.7	55.6	56.4	56.6	57.0	57.7	57.6	58.3	58.3	58.4	58.9
Transportation	35.7	34.1	34.2	34.2	34.8	35.0	35.9	35.8	35.8	36.7	37.1	37.1	37.7
Railroad	4.3	4.5	4.5	4.5	4.4	4.4	4.3	4.3	4.2	4.1	4.1	4.1	4.0
Trucking & Warehousing	20.3	18.8	18.8	18.9	19.4	19.6	20.6	20.8	20.9	21.1	21.3	21.4	22.1
Other Transportation	11.1	10.8	10.9	10.8	11.0	11.0	11.0	10.7	10.7	11.5	11.7	11.6	11.6
Communications	12.8	13.0	12.9	12.8	12.9	12.9	12.3	13.0	13.0	12.9	12.6	12.7	12.6
Utilities	8.7	8.7	8.6	8.6	8.7	8.7	8.8	8.9	8.8	8.7	8.6	8.6	8.6
Trade	267.3	256.0	254.5	257.6	263.1	266.2	271.3	270.6	273.3	273.4	271.2	273.7	276.1
Wholesale Trade	67.4	65.3	65.4	66.1	67.2	67.1	67.9	68.1	68.9	69.1	68.7	67.4	67.4
Durable Goods	39.5	38.5	38.6	38.7	39.6	39.9	40.2	40.1	40.0	39.9	39.8	39.4	39.5
Nondurable Goods	27.9	26.8	26.8	27.4	27.6	27.2	27.7	28.0	28.9	29.2	28.9	28.0	27.9
Retail Trade	199.9	190.7	189.1	191.5	195.9	199.1	203.4	202.5	204.4	204.3	202.5	206.3	208.7
General Merchandise	26.2	25.9	25.0	24.7	25.3	25.5	25.7	25.9	26.0	26.1	26.3	28.3	29.6
Food Stores	31.7	30.0	29.7	30.1	30.9	31.4	32.3	32.6	32.8	32.7	32.5	32.8	32.8
Auto Dealers & Service Stations	25.2	23.8	23.8	24.2	24.8	25.1	25.7	26.0	26.3	26.2	25.8	25.5	25.3
Other Retail Trade	116.8	111.0	110.6	112.5	114.9	117.1	119.7	118.0	119.3	119.3	117.9	119.7	121.0
Finance, Ins. & Real Estate	69.5	66.9	67.1	67.6	68.4	69.1	70.1	71.0	71.2	71.1	70.5	70.2	70.6
Banking & Credit Agencies	23.7	23.4	23.2	23.3	23.5	23.6	23.8	24.1	24.2	24.1	23.8	23.9	23.9
Other Finance, Ins. & Real Estate	45.8	43.5	43.9	44.3	44.9	45.5	46.3	46.9	47.0	47.0	46.7	46.3	46.7
Services	230.2	219.2	222.3	224.8	228.3	230.4	231.2	232.4	233.4	234.4	235.1	235.4	235.9
Hotels & Personal Services	25.5	23.5	24.1	24.5	25.0	25.3	26.5	26.9	27.3	26.8	25.9	25.0	24.8
Health Services	72.5	70.7	71.0	71.5	71.9	72.1	72.7	73.1	73.5	73.8	72.9	73.1	73.7
Other Services	132.3	125.0	127.2	128.8	131.4	133.0	132.0	132.4	132.6	133.8	136.3	137.3	137.4
Government	200.2	199.8	203.4	204.3	203.6	205.7	204.6	183.6	183.2	192.9	207.2	208.3	205.5
Federal	29.6	28.3	28.4	28.4	28.5	29.2	29.8	31.0	30.8	30.9	30.4	29.4	29.5
State Government	54.6	54.0	55.3	55.8	55.7	55.3	55.2	51.8	51.8	51.3	56.4	56.8	55.7
Education	23.0	23.4	24.4	24.6	24.3	24.1	23.3	19.2	18.5	18.9	24.5	25.3	25.0
Other State	31.6	30.6	30.9	31.2	31.4	31.2	31.9	32.6	33.3	32.4	31.9	31.5	30.7
Local Government	116.0	117.5	119.7	120.1	119.4	121.2	119.6	100.8	100.6	110.7	120.4	122.1	120.3
Education	73.0	76.3	78.2	78.3	77.5	78.6	75.8	55.8	55.3	66.6	77.3	78.9	77.2
Other Local	43.1	41.2	41.5	41.8	41.9	42.6	43.8	45.0	45.3	44.1	43.1	43.2	43.1
LABOR-MANAGEMENT DISPUTES	0.6	0.0	0.0	0.0	0.0	0.0	0.7	3.2	2.0	0.8	0.1	0.1	0.0

** Data are in thousands

1/ Includes employed and unemployed individuals 16 years and older by place of residence. Data are adjusted for multiple job-holding and commuting. Includes nonagriculture wage and salary, self-employed, unpaid family workers, domestics, agriculture and labor disputants.

2/ Sum of monthly estimates divided by 12. Unemployment rate derived by dividing unemployment by civilian labor force.

3/ This nonagricultural wage and salary employment series is based on the 1972 Standard Industrial Classification (SIC) manual as amended by the 1977 supplement. The data are by place of work and persons working multiple jobs are counted more than once. Workers involved in labor-management disputes are excluded from the wage and salary employment totals.

4/ Total nonagricultural wage and salary employment, seasonally adjusted and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774.3) and that of 1977 (936.9).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

REVISED EMPLOYMENT DATA CONFIRM STRONG 1987

Graham Slater

Regular readers will be aware of the annual statistical exercise of "benchmarking". Month after month, the employment estimates published by the Employment Division are computed based on a sample of roughly one-tenth of Oregon's employers. Once each year, these estimates are revised and improved based on the latest and best information available, largely from Unemployment Insurance Employer Tax records, but also from a variety of other sources. This benchmark ensures that monthly estimates are staying in line with reality, and allows analysts to determine where, and why, certain estimates may have been less accurate than desired.

The 1987 Benchmark (revising employment data for 1986 and 1987) was completed early in February. Of initial interest to analysts is the fact that the magnitude of the revisions was the smallest in recent memory. Annual average nonfarm payroll employment increased by 2,000 (+0.2%) for 1986 and fell by 1,200 (-0.1%) for 1987.

More importantly, revised annual average data for 1987 reflects strong growth over 1986 in almost every area of the employment-related economy. The 1987 annual average wage & salary employment level of 1,094,000, an all-time record for the State, was created by 3.4% growth between 1986 and 1987. While benchmarked data is not yet available for all states, preliminary indications are that Oregon will rank in or near the top ten in terms of percent growth.

Perhaps the most positive development was that the growth trend was shared almost equally between manufacturing (+3.3%) and nonmanufacturing (+3.4%) industries. This is in stark contrast to the 1986 growth pattern which saw nonmanufacturing soar but manufacturing continue to decline. Even within manufacturing, the positive news was shared evenly between durable goods and nondurables, both registering +3.3% growth.

The revised statistics for manufacturing (production) workers are as follows:

	1986	1987	Change
Average Hourly Earnings	$ 10.57	$ 10.55	−$0.02
Average Weekly Earnings	$412.23	$413.56	$1.33
Average Weekly Hours	39.0	39.2	.0.2

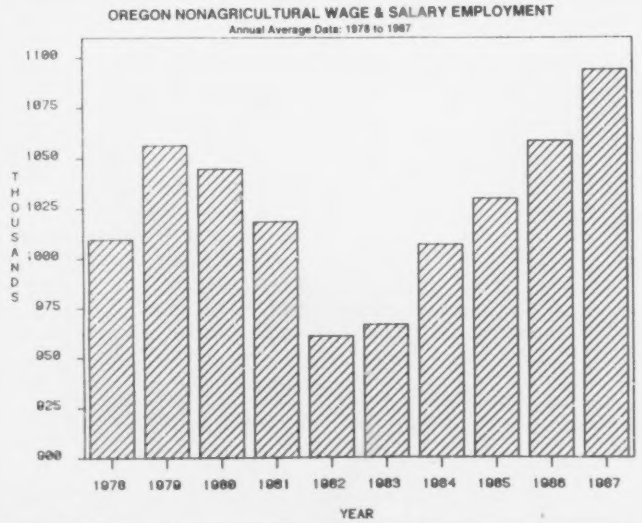
The strength in manufacturing bears further analysis. At the two digit SIC level, only furniture & fixtures, fabricated metals, and instruments & related products recorded employment declines. Lumber & wood products enjoyed its best year for some time, adding employment growth to record productivity levels. Only logging failed to add jobs (mostly due to the fire-related restrictions in the fall) while millwork hit a record 10,100 level. Other manufacturing industries which performed well included primary metals and transportation equipment. In addition, printing & publishing and rubber & plastic products both turned in record employment levels (12,700 and 3,800 respectively). After many years of talking diversity, 1987 may go down as the year when the talk translated into numbers.

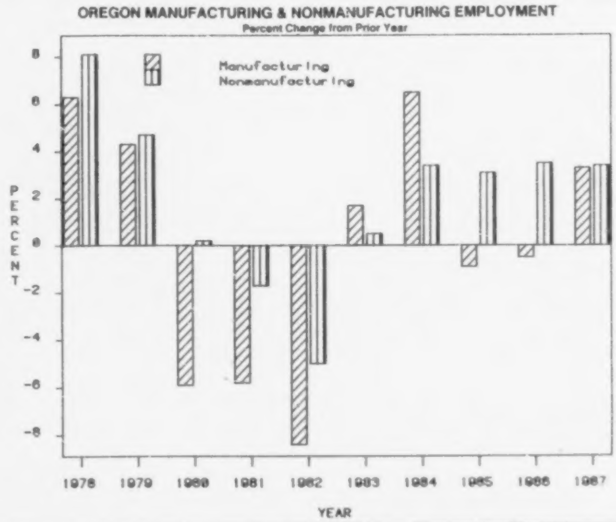
The nonmanufacturing picture was less surprising but equally strong. Construction, with just 200 added jobs, provided the main disappointment, while other sectors were generally encouraging. Services provided the largest number of new jobs of any sector with 12,200. (Putting that in perspective, Oregon's fruit and vegetable processors averaged 11,200 in 1987.) Of the thirteen distinct service industries for which employment estimates are calculated, ten reached record employment levels in 1987.

Revisions to the hours & earnings data were small. Average hourly earnings in manufacturing was revised upward by one cent for 1986, then downward by the same amount in 1987.

From a structural point of view, there were two noteworthy changes. First, following discussions between analysts and data users, it has been decided that the diffusion index will be discontinued. Second, all three hours & earnings statistics (average hourly earnings, weekly hours, and weekly earnings) will now be published for banking & insurance. Previously, only average weekly earnings had been published.

To summarize, revisions were small, growth was strong, and Oregon heads into 1988 building on a solid, record-breaking foundation of 1987 economic progress. □





Long-Range (Employment) Weather Forecast

Arthur Ayre

Mankind has long sought to know the future, and has employed a wide variety of amusing prediction techniques in this effort. Some of these techniques have developed into sciences with enviable levels of accuracy. Astronomers, for example, are able to predict solar eclipses years in advance and can specify the time and track of the moon's shadow across the Earth. Other sciences have not enjoyed such celestial success. Weather forecasters, armed with high-powered computers and years of scientific study, struggle to generate a reliable weekend weather forecast.

Recently, mankind has engaged in the development of large, complex economies, and has understandably sought to forecast the fluctuations in these manmade super-organisms. People who manage businesses, invest their own or others' money, campaign for public office, buy homes, consult others on careers or business plans, and do a variety of other activities often make important decisions based on predictions of future interest rates, money supply, balance of trade, employment, unemployment rates, etc. Never mind that history may record the fruits of economic forecasting as inferior even to those of weather forecasting. The need to have some seemingly rational basis upon which to make important decisions forces most of us to give some credence, however skeptical, to economic forecasts.

This need has spawned a wide variety of prediction techniques and theories. Some forecasts draw on historical cycles, others concentrate on dynamic relationships within the system, and still others use linear regression to predict the future. Predictions rest on economic "laws" which are used as building blocks for theories. The apperception of and belief in these "laws" depend, to a large degree, on the spatial and temporal scope of economic activity being considered (which is why there is a phenomenon called the fallacy of composition). Forecasts are also highly dependent upon assumptions about future events, some of which are likely to be wrong.

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Dec.[2] 1987	Nov.[3] 1987	Dec. 1986	Dec.[2] 1987	Nov.[3] 1987	Dec. 1986	Dec.[2] 1987	Nov.[3] 1987	Dec. 1986
TOTAL MANUFACTURING[4]	$422.76	$422.41	$416.20	39.4	39.7	39.6	$10.73	$10.64	$10.51
Durable Goods	426.93	428.13	421.30	39.9	40.2	40.2	10.70	10.65	10.48
Lumber & Wood Products	420.42	429.32	427.73	39.0	39.9	40.2	10.78	10.76	10.64
Logging & Sawmills	439.64	452.76	460.00	37.9	39.2	40.6	11.60	11.55	11.33
Veneer & Plywood	410.94	425.99	415.90	39.4	41.0	40.3	10.43	10.39	10.32
Millwork & Structural	389.08	376.16	352.91	42.2	41.2	39.3	9.22	9.13	8.98
Mobile Homes	320.32	318.95	264.26	36.4	35.4	31.8	8.80	9.01	8.31
Other Wood Products	409.94	420.56	427.11	39.8	40.4	40.6	10.30	10.41	10.52
Furniture & Fixtures	313.18	380.64	324.72	38.1	39.0	41.0	8.22	9.76	7.92
Primary Metals	524.17	527.61	489.95	41.9	43.0	41.0	12.51	12.27	11.95
Fabricated Metals	386.65	377.34	381.35	40.7	40.1	39.6	9.50	9.41	9.63
Machinery (Ex Electrical)	465.65	451.95	444.40	41.8	40.9	40.4	11.14	11.05	11.00
Nondurable Goods	411.16	404.54	404.92	38.0	38.2	38.2	10.82	10.59	10.60
Food & Kindred Products	332.08	318.65	332.68	35.9	36.5	36.2	9.25	8.73	9.19
Canning & Preserving	273.70	263.50	280.25	33.5	34.9	34.9	8.17	7.55	8.03
Other Food Products	398.35	405.60	399.09	38.6	39.0	37.9	10.32	10.40	10.53
Textile Mill Products	253.81	259.84	247.13	35.9	38.1	37.5	7.07	6.82	6.59
Apparel	222.60	217.68	250.81	37.1	36.1	42.8	6.00	6.03	5.86
Paper & Allied Products	656.78	678.25	642.60	42.4	42.9	42.0	15.49	15.81	15.30
Printing & Publishing	426.20	442.93	418.29	36.9	37.6	36.5	11.55	11.78	11.46
Construction[4]	462.97	470.91	456.57	33.5	34.6	34.2	13.82	13.61	13.35
Communications & Utilities[5]	565.94	536.02	516.65	41.4	40.7	40.3	13.67	13.17	12.82
Trade[5]	283.53	288.96	283.37	33.2	33.6	34.1	8.54	8.60	8.31
Wholesale Trade	388.02	395.12	386.08	36.4	37.1	36.7	10.66	10.65	10.52
Retail Trade	235.96	239.25	237.21	31.8	31.9	32.9	7.42	7.50	7.21
Banking & Insurance[5]	306.58	330.03	305.11						
State & Local Government	371.46	370.02	354.47						

1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

Unlike weather forecasts, some economic predictions have a propensity to become self-fulfilling. The same people who make decisions based on economic forecasts are also those who play an important role in the direction of the economy. While they may feel that their individual impacts on the future of the economy are insignificant and can be discounted, the aggregate effect of many such individual impacts is very real indeed. For example, a run on a local bank might be precipitated simply by spreading word that such a collapse is likely. And major stock market moves are occasionally credited to important market analysts who advise their clients to buy or sell. Important economic decisions by people who manage businesses may ride on the government's index of leading economic indicators or other forecasts, quite possibly exacerbating whatever trend might be apparent.

Due to rising female labor force participation, women are expected to account for nearly two-thirds of Oregon's 233,000 labor force growth between now and the year 2000.

Having raised these concerns and precautions, we hereby announce our forecasts of Oregon's labor force, employment, and unemployment rates to the year 2000. These forecasts were designed to be internally consistent. They are based on the assumption made by Wharton Econometric Forecasting Associates of a mild recession centered around 1990 and another in the late 1990s. Other assumptions include a growing labor shortage, due largely to the dearth of new entrants to the labor market following the influx of the baby boomers during the 1960s and 1970s. We expect the overall labor force participation rate to continue inching upward reflecting further strong gains in the female participation rate coupled with a slight drop in male labor force participation. We also expect Oregon's unemployment rate to maintain its recent historical relationship to that of the United States. The following graphs depict our scenario for Oregon based on Wharton's national outlook. If our assumptions hold true and our economic "laws" aren't repealed, we should be looking forward to relatively calm, sunny economic weather. And now, for sports....

Oregon and U.S. Unemployment Rates

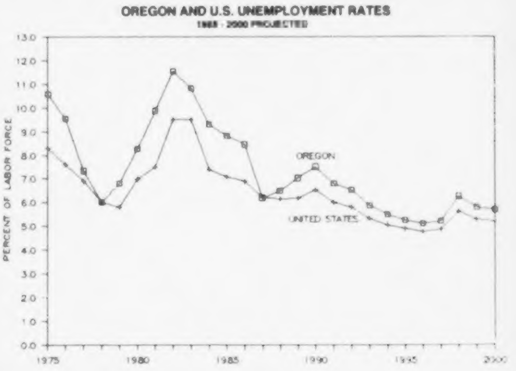
This graph shows actual (1975 to 1987) and projected Oregon and United States civilian unemployment rates. The U.S. unemployment rate from 1988 to 2000 was projected by Wharton Econometric Forecasting Associates. We used linear regression of the Oregon unemployment rate against the U.S. unemployment rate for the years 1977 to 1987, and projected the Oregon unemployment rate from 1988 to 2000 by using the projected U.S. unemployment rate to drive the Oregon rate. The 1987 Oregon rate predicted by this regression line was substantially higher than the actual 1987 Oregon rate, so we smoothed the line between the actual 1987 and the regressed 1989. The regressed Oregon unemployment rate begins in 1989.

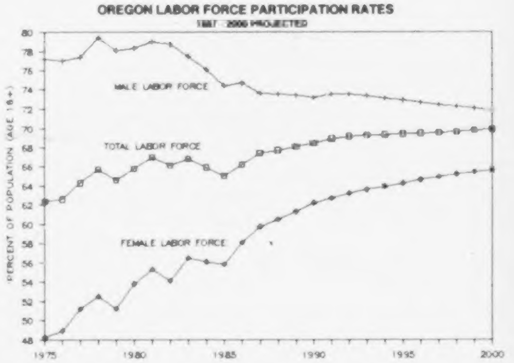
Oregon Labor Force Participation Rates

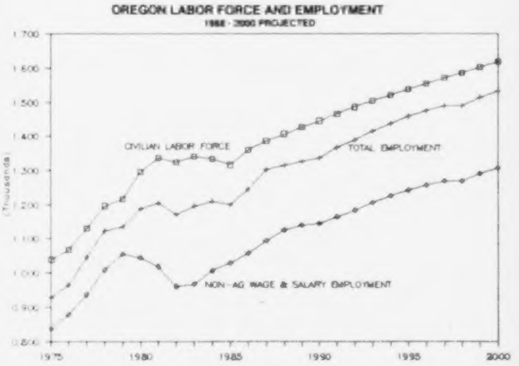
This graph shows actual (1975 to 1986) and projected Oregon civilian labor force participation rates. We projected the Oregon rates to follow trends in national rates which have been projected by Wharton Econometric Forecasting Associates (1987 to 2000). Labor force participation rates represent the percent of the specified adult population group (age 16+) which is in the labor force (either employed or unemployed and actively seeking employment). Due to rising female labor force participation, women are expected to account for nearly two-thirds of Oregon's 233,000 labor force growth between now and the year 2000.

Oregon Labor Force and Employment

The graph shows Oregon's civilian labor force, total employment, and nonagricultural wage and salary employment for the years 1975 to 2000. We developed civilian labor force projections from projections of Oregon population and labor force participation rates. We then used Portland State University's population estimates between 1975 and 1987, Oregon Executive Department population projections from 1988 to 1991, and steady population growth of 25,000 per year from 1992 to 2000. From these data, we developed a population series of those age 16 and over. This series was then multiplied by the labor force participation rates to arrive at the civilian labor force.







The total employment series projections (1988 to 2000) were derived by subtracting from the labor force the percent which was projected to be unemployed. Nonagricultural wage and salary employment was taken from Oregon Executive Department projections for 1988 to 1991 (March 1988 forecast), and then projected (1992 to 2000) to follow the trend of total employment. ☐

NEW ENTERPRISE ZONES

Henry Markus

On December 31, 1987, Governor Goldschmidt designated five new enterprise zones in Astoria, Dallas, Grande Ronde (LaGrande), Redmond and Salem. The Oregon Economic Development Department (EDD) received 19 applications from which these final five were chosen. There are now 25 zones in Oregon, three urban and 22 nonurban (see list). State law allows for a maximum of 30 zones. A date has not yet been set for the final round of applications.

To obtain an enterprise zone property tax exemption for 1988, the appropriate forms must be filed with the county assessor and the Oregon Department of Revenue on or before April 1, 1988. Any qualified business that made an investment in qualified property in 1987 which was in use or occupied on January 1, 1988, should consider applying.

Qualified businesses include any business in urban enterprise zones and non-retail firms and motels/hotels in nonurban zones. The property tax exemption is 100 percent during the first taxable year and is phased out in 20-percent increments over five years. It applies to new buildings, machinery and equipment, building expansions and renovations, and increases in land value from site preparation.

Another benefit common to all enterprise zones is that land owned by the State or units of local government which are not designated for a specific public use are available for sale or lease to qualified firms. In addition, each community has established a package of local incentives unique to its enterprise zone which may include industrial training opportunities, public service enhancements, regulatory flexibility and reduction or exemption of fees.

If your business is located within an enterprise zone, or if you are interested in opening a business within one, please contact the local enterprise zone manager for information about zone benefits and requirements before making an investment.

On January 20, 1988, EDD adopted temporary enterprise zone rules. They will be in effect until July 15, 1988, unless permanent rules are adopted sooner. Written comments on these rules, in order to be considered, must be received by EDD not later than March 31, 1988.

EDD will submit its annual report to the Governor by March 1 evaluating the effectiveness of the Oregon Enterprise Zone Act. The report may be updated this summer to incorporate a final list of 1988 applicants for the enterprise zone property tax exemption (due April 1, see above) and a summary of the key features of the permanent enterprise zone rules (to be adopted after April 1, see above).

For more information, please contact:

Henry S. Markus, Manager
Enterprise Zone Program
OR Economic Development Dept.
595 Cottage Street NE
Salem, Oregon 97310
503-373-1231 □

OREGON ENTERPRISE ZONES

Urban Zones (3)

N/NE Portland
Salem*
West Eugene

Nonurban Zones (22)

Albany
Astoria*
Baker (City)
Coos Bay Area
Coquille Valley
Dallas*
Grande Ronde (LaGrande)*
Hermiston Area
Klamath Falls
Lower Columbia Maritime
Oakridge/Westfir
Ontario
Pendleton
Port Orford
Redmond*
St. Helens/Columbia City
South Santiam (Lebanon)
Sutherlin/Oakland
Sweet Home
Tillamook
Toledo
Wasco County/The Dalles

*New additions effective Dec. 31, 1987

OREGON LABOR TRENDS

OREGON LABOR TRENDS is published monthly by the Research and Statistics Section of the Oregon Employment Division, W. E. Hunter, Administrator.

Send comments, questions, and address changes ATTN: Jeff Hannum, R&S-LMI or Phone (503) 378-2736 or toll free 1-800-237-3710 ext. 8-8657.

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STATE OF OREGON
EMPLOYMENT DIVISION
DEPARTMENT OF HUMAN RESOURCES
875 UNION STREET N.E.
SALEM, OREGON 97311

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BETHESDA MD 20814

OREGON LABOR TRENDS

MARCH 1988

FEBRUARY INDICATORS

UNEMPLOYMENT RATE

Oregon		*(Seas. Adj)*
Feb.	1988	6.2
Jan.	1988	6.0
Feb.	1987	7.0
U.S.		
Feb.	1988	5.7
Jan.	1988	5.8
Feb.	1987	6.6

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	*1977=100*	
Feb.	1988	120.1
Jan.	1988	119.7
Dec.	1987	118.8
Nov.	1987	118.4
Oct.	1987	117.7

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon		
Jan.	1988	$10.71
Dec.	1987	$10.71
Jan.	1987	$10.59

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon		
Jan.	1988	39.9
Dec.	1987	39.3
Jan.	1987	38.9

CONSUMER PRICE INDEX (CPI-U)

1967=100
ALL URBAN CONSUMERS

Portland-Vancouver	
July-Dec. 1987	327 .8
Yearly change	3.3%
Annual Average 1987	324.7
Yearly change	2.5%
U.S.	
Feb. 1988	347.4
Yearly change	3.9%
Annual Average 1987	340.4
Yearly change	3.7%

Portland Hotline 221-4132

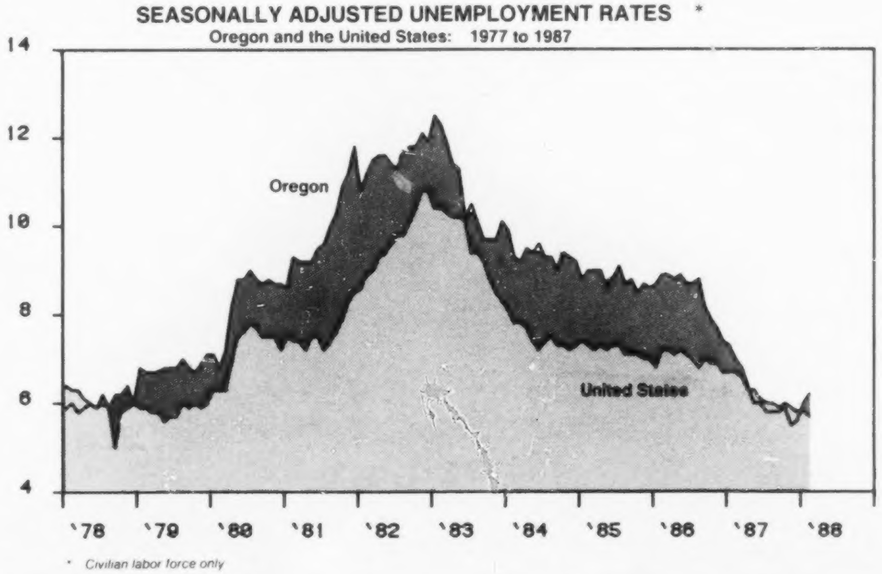
BUT WAIT, THERE'S MORE!

Rick Hawes

In February, Oregon's seasonally adjusted unemployment rate once again rose; this time to 6.2%, an increase of .2 over January. This was the third straight month that the State's unemployment rate increased. At the same time, the national rate declined by one tenth of a point to 5.7%. Based upon this information alone, one might conclude that the economic recovery in Oregon is ending. By examining the unemployment data in detail, however, and combining it with information from other sources which will be discussed later in this article, we get a clearer and brighter picture.

Recent benchmarking activities have just been completed for Oregon's seasonally adjusted unemployment rate for the past two years. The accompanying graph shows the effect of the 1987 benchmark. The revised 1986 monthly unemployment rates are somewhat higher than original estimates for the early part of the year and somewhat lower during the latter half. In 1987, the same pattern occurred, having the effect of leveling out the State's unemployment rate during the summer months.

The seasonally adjusted unemployment rate, which is derived from a combination of Employment Division administrative data and household survey information from the Current Population Survey conducted by the U.S. Census Bureau, is one of the most frequently cited statistics utilized to measure the health of Oregon's economy. It is, however, not sufficient as an economic yardstick. The picture it gives is neither detailed, nor focused adequately to provide an accurate image of the economy of the State of Oregon. It therefore, becomes necessary to include other data elements to more accurately interpret the economic picture.



SEASONALLY ADJUSTED UNEMPLOYMENT RATES *
Oregon and the United States: 1977 to 1987

* Civilian labor force only

Oregon's wage and salary employment index, which is seasonally adjusted, climbed to 120.1; up .4 from January and making this the sixth consecutive month in which the index has captured an increase in the labor market. In February the civilian labor force grew by 11,200 to 1,411,100: 9,800 of these people found jobs.

Also in the month of February, the Employment Division received 6,894 job openings; 683 more than January, and 972 more than were received in February of 1987. This is pictorially represented in the accompanying graph. The Division has not seen this level of activity since 1980, prior to the recession. The number of job placements made by the Employment Division is also on the increase, climbing to 4,719 in February from 4,370 in January: 4,158 placements were recorded in February of 1987.

The U.S. Commerce Department reported an 8.9% increase in construction activity nationwide in February, . . .

Looking at the number of weeks of unemployment compensation being claimed in Oregon, we see a significant decrease from prior years (see accompanying graph). Only 158,427 weeks were claimed in February compared to 165,311 in January and 183,976 in February of 1987. In fact, this is the lowest number of weeks claimed in this period since the early 1970's, and this trend is expected to continue; no additional or extended benefit programs are anticipated this year.

Several more signs of continued improvement have been reported recently that could be expected to impact Oregon's employment picture. The U.S. Commerce Department reported an 8.9% increase in construction activity nationwide in February, pushing the construction of single-family homes and apartments up to a seasonally adjusted rate of 1.49 million units after two months of declining activity. At the same time, the Federal Reserve reported an increase in industrial activity of .2%, producing a level 5.8% higher than 1987. And locally, preliminary figures from the International Trade Institute in Portland show a 16% increase in export volume through the Port of Portland for 1987 to $3.6 billion. At the same time, import volume edged down by 1% to $4.85 billion.

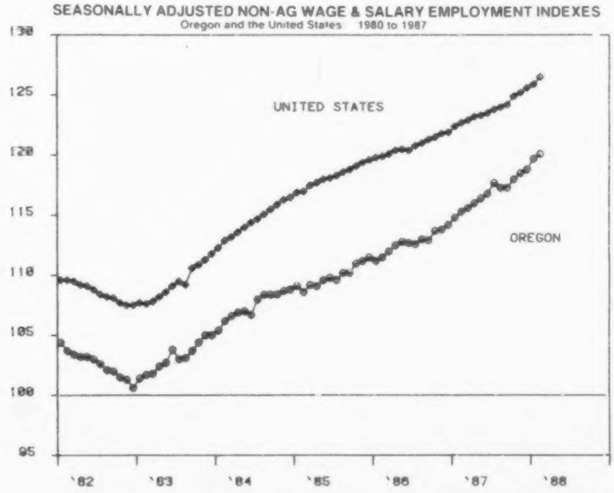
Turning now to employment during February, the transportation equipment industry posted a gain of more than 900 jobs, leading manufacturing employment to its highest February level since 1980.

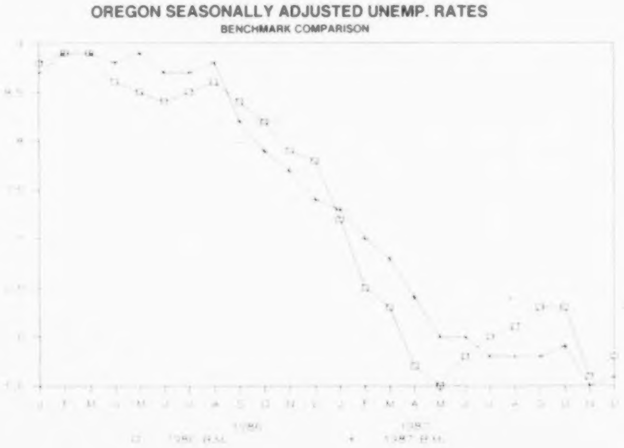
Construction employment led the nonmanufacturing sector by posting a 400 job gain during what is normally the "off-season". While most of this employment was in nonresidential and heavy construction, rising employment and steady mortgage interest rates should boost jobs in the residential construction industry in coming months, particularly in the Portland area where the Republic of Nauru recently made a substantial investment toward turning one square mile of the West Hills into a 2,200 home subdivision. Upcoming special projects around the State, such as the convention center and the beginning of the long-awaited Morrison St. development project in Portland, prison construction, and expansion of higher education facilities should keep construction employment at solid levels for some time to come.

. . . the Republic of Nauru recently made a substantial investment toward turning one square mile of the West Hills into a 2,200 home subdivision.

In the trade industry, while post-holiday layoffs in general merchandise, apparel, and furniture stores took a larger than expected toll, an increase of more than 1,000 jobs in food stores indicates that Oregon is still a hot battleground for expanding grocery chains.

Another bright spot showed up in the services sector where private education


SEASONALLY ADJUSTED NON-AG WAGE & SALARY EMPLOYMENT INDEXES
Oregon and the United States 1980 to 1987


OREGON SEASONALLY ADJUSTED UNEMP. RATES
BENCHMARK COMPARISON

employment came back from its seasonal vacation, and where employment in business services rose to 43,900; an industry which has doubled its employment levels in just five years.

. . . the seasonally adjusted unemployment rate, taken by itself, provides a very hazy picture.

One final indicator of economic health is government employment. Here, as in the private sector, education climbed back in February as teachers and support workers returned after holiday breaks. With the expected continuation of economic expansion in Oregon, more tax dollars will be generated to fund the additions to the prison system and to fund other projects considered critical to the safety and prosperity of its citizens.

Having taken these other factors into account and analyzed their impact upon the workings of Oregon's economy, it is now easier to see that the seasonally adjusted unemployment rate, taken by itself, provides a very hazy picture. There is presently a considerable amount of growth-related activity in the State's economy; much of it self-sustaining, and more on the way. What appears at first glance from Oregon's unemployment rate to be the "end" is, in fact, a maturing, self-sustaining economic recovery. □

UNEMPLOYMENT RATES BY AREA

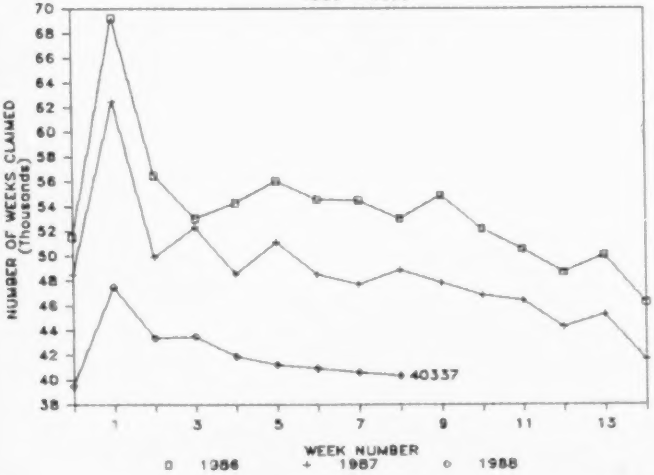
February, 1988

	Civilian Labor Force	Total ployment	Unempl.	Rate[1]
State of Oregon	1,411,100	1,309,900	101,200	7.2
Eugene MSA[2]	140,400	131,200	9,200	6.6
Medford MSA[3]	69,710	64,440	5,270	7.6
Portland[4]	648,300	612,100	36,200	5.6
Salem MSA[5]	130,300	120,200	10,100	7.8
Baker	6,870	5,930	940	13.7
Benton	36,900	35,400	1,500	4.1
Clatsop	17,420	16,030	1,390	8.0
Columbia	16,230	14,770	1,460	9.0
Coos	27,960	25,230	2,730	9.8
Crook	6,630	5,970	660	10.0
Curry	8,790	8,100	690	7.8
Deschutes	36,380	32,800	3,580	9.8
Douglas	44,240	40,110	4,130	9.3
Gilliam	850	790	60	7.1
Grant	4,340	3,710	630	14.5
Harney	4,090	3,750	340	8.3
Hood River	8,570	7,580	990	11.6
Jefferson	6,390	5,760	630	9.9
Jospehine	26,300	24,020	2,280	8.7
Klamath	25,420	22,380	3,040	12.0
Lake	4,080	3,510	570	14.0
Lincoln	18,900	17,340	1,560	8.3
Linn	41,730	37,560	4,170	10.0
Malheur	12,240	10,750	1,490	12.2
Morrow	3,550	3,120	430	12.1
Tillamook	9,080	8,150	930	10.2
Umatilla	29,530	26,230	3,300	11.2
Union	11,260	9,990	1,270	11.3
Wallowa	3,910	3,380	530	13.6
Wasco-Sherman	10,230	9,110	1,120	10.9
Wheeler	540	460	80	14.8

1/ Not Seasonally Adjusted
2/ Lane County
3/ Jackson
4/ Clackamas, Multnomah, Washington, Yamhill counties
5/ Marion and Polk counties

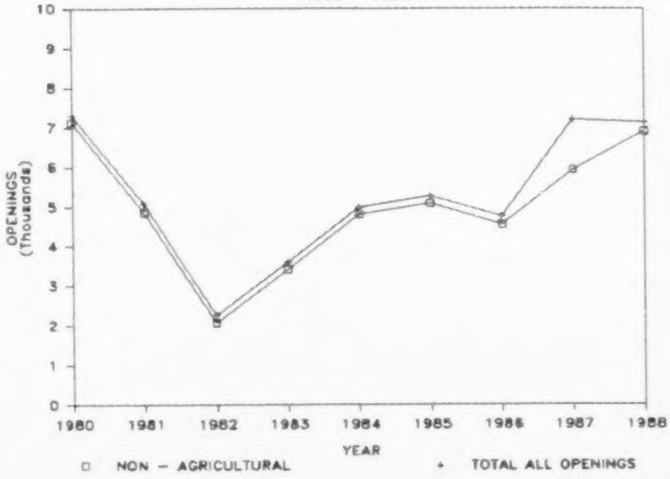
FIRST QUARTER WEEKS CLAIMED

1986 – 1988



FEBRUARY JOB OPENINGS RECEIVED

1980 – 1988



RESIDENT OREGON LABOR FORCE

	FEB.[1] 1988	JAN.[2] 1988	CHANGE	%CHANGE	FEB.[5] 1987
CIVILIAN LABOR FORCE[3]	1,411,100	1,399,900	11,200	0.8	1,353,800
UNEMPLOYMENT	101,200	99,800	1,400	1.4	109,800
PERCENT OF LABOR FORCE	7.2	7.1	XXX	XXX	8.1
SEASONALLY ADJUSTED PERCENT	6.2	6.0	XXX	XXX	7.0
TOTAL EMPLOYMENT[4]	1,309,900	1,300,100	9,800	0.8	1,244,000

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1987 and January 1988, data for 1988 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

				CHANGE FROM	
INDUSTRY	FEB.[1] 1988	JAN.[2] 1988	FEB. 1987	JAN. 1988	FEB. 1987
TOTAL[3]	1,105,100	1,094,600	1,057,800	10,500	47,300
WAGE & SALARY EMPLOYMENT INDEX[4]	120.1	119.7	115.0	XXX	XXX
TOTAL MANUFACTURING	205,200	203,400	194,300	1,800	10,900
DURABLE GOODS	151,000	149,900	141,000	1,100	10,000
LUMBER & WOOD PRODUCTS	67,300	67,400	64,000	-100	3,300
LOGGING & SAWMILLS	33,700	34,000	32,400	-300	1,300
VENEER & PLYWOOD	17,800	17,900	17,300	-100	500
MILLWORK & STRUCTURAL WOOD	10,600	10,300	9,500	300	1,100
MOBILE HOMES	1,400	1,400	1,200	0	200
OTHER WOOD PRODUCTS	3,800	3,800	3,600	0	200
FURNITURE AND FIXTURES	2,400	2,400	2,400	0	0
STONE, CLAY, GLASS & CONCRETE	3,300	3,200	3,200	100	100
PRIMARY METALS	9,900	9,800	8,700	100	1,200
BLAST FURNACES, IRON & STEEL	6,000	5,900	5,300	100	700
NONFERROUS METALS	3,900	3,900	3,400	0	500
FABRICATED METALS	10,000	10,200	9,700	-200	300
FABRICATED STRUCTURAL METALS	4,100	4,300	4,300	-200	-200
OTHER FABRICATED METALS	5,900	5,900	5,400	0	500
MACHINERY	16,100	15,900	15,200	200	900
ELECTRICAL EQUIPMENT & SUPPLIES	14,300	14,100	12,900	200	1,400
TRANSPORTATION EQUIPMENT	12,200	11,300	10,100	900	2,100
INSTRUMENTS & RELATED PRODUCTS	12,200	12,300	12,100	-100	100
MISCELLANEOUS MANUFACTURING	3,300	3,300	2,700	0	600
NONDURABLE GOODS	54,200	53,500	53,300	700	900
FOOD & KINDRED PRODUCTS	20,400	20,000	21,000	400	-600
CANNING & PRESERVING	9,900	9,300	10,400	600	-500
OTHER FOOD PRODUCTS	10,500	10,700	10,600	-200	-100
TEXTILE MILL PRODUCTS	1,900	1,800	1,700	100	200
APPAREL	2,700	2,600	2,500	100	200
PAPER & ALLIED PRODUCTS	9,100	9,100	9,200	0	-100
PRINTING & PUBLISHING	13,200	13,200	12,400	0	800
CHEMICALS & ALLIED PRODUCTS	2,100	2,000	2,000	100	100
PETROLEUM REFINING	400	400	400	0	0
RUBBER & PLASTIC PRODUCTS	4,000	4,000	3,600	0	400
LEATHER PRODUCTS	400	400	500	0	-100
TOTAL NONMANUFACTURING	899,900	891,200	863,500	8,700	36,400
MINING & QUARRYING	1,300	1,300	1,300	0	0
CONSTRUCTION	31,400	31,000	29,400	400	2,000
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	58,400	58,300	57,000	100	1,400
TRANSPORTATION	37,200	37,100	35,900	100	1,300
RAILROAD	3,700	3,800	3,900	-100	-200
TRUCKING & WAREHOUSING	21,300	21,200	20,500	100	800
OTHER TRANSPORTATION	12,200	12,100	11,500	100	700
COMMUNICATIONS	12,600	12,500	12,500	100	100
UTILITIES	8,600	8,700	8,600	-100	0
TRADE	278,600	279,600	262,500	-1,000	16,100
WHOLESALE TRADE	70,600	70,800	65,800	-200	4,800
DURABLE GOODS	41,600	41,700	38,900	-100	2,700
NONDURABLE GOODS	29,000	29,100	26,900	-100	2,100
RETAIL TRADE	208,000	208,800	196,700	-800	11,300
GENERAL MERCHANDISE	26,600	28,700	25,300	-2,100	1,300
FOOD STORES	34,800	33,800	32,100	1,000	2,700
AUTO DEALERS & SERVICE STATIONS	25,600	25,700	24,900	-100	700
OTHER RETAIL TRADE	121,000	120,600	114,400	400	6,600
FINANCE, INSURANCE, & REAL ESTATE	72,000	71,600	70,200	400	1,800
BANKING & CREDIT AGENCIES	23,800	23,900	23,800	-100	0
OTHER FINANCE, INSURANCE, & REAL ESTATE	48,200	47,700	46,400	500	1,800
SERVICES	246,200	241,500	236,700	4,700	9,500
HOTELS & PERSONAL SERVICES	24,900	24,900	24,500	0	400
HEALTH SERVICES	76,400	76,300	73,400	100	3,000
OTHER SERVICES	144,900	140,300	138,800	4,600	6,100
GOVERNMENT	212,000	207,900	206,400	4,100	5,600
FEDERAL GOVERNMENT	29,800	29,700	28,000	100	1,800
STATE GOVERNMENT	59,000	57,600	56,600	1,400	2,400
EDUCATION	25,600	24,400	25,200	1,200	400
OTHER STATE	33,400	33,200	31,400	200	2,000
LOCAL GOVERNMENT	123,200	120,600	121,800	2,600	1,400
EDUCATION	79,400	77,100	79,200	2,300	200
OTHER LOCAL	43,800	43,500	42,600	300	1,200
LABOR – MANAGEMENT DISPUTES	100	100	0	0	100

1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's Annual Average Employment (774,300) and that of 1977 (936,900).

State of Oregon
EMPLOYMENT DIVISION
Department of Human Resources

Research and Statistics
March 1987 Benchmark
March 1988

OREGON RESIDENT LABOR FORCE, UNEMPLOYMENT & EMPLOYMENT 1987 1/

	Annual 2/ Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
CIVILIAN LABOR FORCE	1,388.0	1,354.1	1,353.8	1,360.5	1,372.4	1,382.0	1,414.8	1,399.7	1,399.2	1,399.7	1,410.6	1,405.5	1,403.7
UNEMPLOYMENT	86.0	118.1	109.8	103.4	91.3	79.8	78.1	76.3	71.2	71.3	74.0	75.7	83.0
Percent of Labor Force	6.2	8.7	8.1	7.6	6.7	5.8	5.5	5.5	5.1	5.1	5.2	5.4	5.9
Seasonally Adjusted Percent	6.2	7.3	7.0	6.8	6.4	6.0	6.0	5.8	5.8	5.8	5.9	5.5	5.6
TOTAL EMPLOYMENT	1,302.0	1,236.0	1,244.0	1,257.1	1,281.1	1,302.2	1,336.7	1,323.4	1,328.0	1,328.4	1,336.6	1,329.8	1,320.7

OREGON NONAGRICULTURAL WAGE & SALARY EMPLOYMENT 1987 3/ **

	Annual Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
TOTAL WAGE & SALARY	1,094.0	1,050.2	1,057.8	1,067.2	1,078.8	1,094.1	1,109.2	1,096.5	1,101.6	1,113.8	1,121.1	1,121.4	1,116.5
Wage & Salary Empl. Index (1977=100) 4/	116.8	114.8	115.0	115.7	116.0	116.4	116.6	117.3	117.2	117.4	117.7	118.4	118.8
Diffusion Index 5/	59.8	55.8	60.8	57.7	63.2	64.3	66.3	66.7	60.9	55.0	52.7	55.8	58.5
MANUFACTURING, TOTAL	204.9	191.9	194.3	195.4	197.0	201.1	208.2	215.0	216.5	215.7	210.0	208.9	205.2
Durable Goods	148.1	140.5	141.0	142.1	143.7	147.6	150.3	152.2	153.4	153.0	150.5	152.0	151.2
Lumber & Wood Products	67.4	64.6	64.0	64.2	65.4	67.3	69.6	70.4	70.3	69.5	67.3	68.8	67.8
Logging & Sawmills	34.4	33.1	32.4	32.3	32.9	34.2	35.8	36.4	36.5	35.7	34.1	35.3	34.6
Veneer & Plywood	17.7	17.3	17.3	17.5	17.5	17.7	17.9	18.0	17.8	17.9	17.8	17.8	17.7
Millwork & Structural Wood	10.1	9.5	9.5	9.6	9.9	10.2	10.6	10.6	10.6	10.5	10.1	10.3	10.3
Mobile Homes	1.4	1.2	1.2	1.2	1.3	1.3	1.4	1.5	1.5	1.5	1.5	1.5	1.4
Other Wood Products	3.8	3.5	3.6	3.6	3.8	3.9	3.9	3.9	3.9	3.9	3.8	3.9	3.8
Furniture & Fixtures	2.5	2.4	2.4	2.4	2.4	2.4	2.5	2.5	2.5	2.5	2.6	2.6	2.5
Stone, Clay, Glass & Concrete Prod.	3.4	3.0	3.2	3.2	3.3	3.5	3.5	3.6	3.7	3.7	3.7	3.5	3.3
Primary Metals	9.3	8.5	8.7	8.9	9.0	9.1	9.4	9.4	9.6	9.6	9.6	9.7	9.7
Blast Furnaces, Iron & Steel Found.	5.6	5.2	5.3	5.4	5.4	5.4	5.6	5.6	5.7	5.7	5.7	5.8	5.8
Nonferrous Metals	3.7	3.3	3.4	3.5	3.6	3.7	3.8	3.8	3.9	3.9	3.9	3.9	3.9
Fabricated Metals	10.2	9.7	9.7	9.9	9.9	10.1	10.3	10.5	10.6	10.8	10.6	10.4	10.4
Fabricated Structural Metals	4.5	4.2	4.3	4.4	4.4	4.5	4.6	4.7	4.8	4.8	4.6	4.5	4.4
Other Fabricated Metals	5.7	5.5	5.4	5.5	5.5	5.6	5.7	5.8	5.8	6.0	6.0	5.9	6.0
Machinery	15.5	15.0	15.2	15.2	15.4	15.5	15.5	15.5	15.6	15.7	15.8	15.9	15.8
Electrical Equipment & Supplies	13.4	12.8	12.9	13.0	13.2	13.3	13.4	13.5	13.8	13.8	13.8	13.8	13.9
Transportation Equipment	11.1	9.8	10.1	10.4	10.3	11.4	10.9	11.5	11.8	11.9	11.5	11.7	12.3
Instruments & Related Products	12.1	12.1	12.1	12.1	12.0	12.0	12.1	12.1	12.1	12.1	12.1	12.2	12.3
Miscellaneous Manufacturing	3.1	2.6	2.7	2.8	2.8	3.0	3.1	3.2	3.4	3.4	3.5	3.4	3.2
Nondurable Goods	56.8	51.4	53.3	53.3	53.3	53.5	57.9	62.8	63.1	62.7	59.5	56.9	54.0
Food & Kindred Products	23.8	19.3	21.0	20.7	20.8	21.0	25.0	29.5	29.6	29.2	26.1	23.3	20.5
Canning & Preserving	12.9	8.7	10.4	10.2	10.2	10.3	14.0	18.4	18.6	18.1	15.0	12.1	9.3
Other Food Products	10.9	10.6	10.6	10.5	10.6	10.7	11.0	11.1	11.0	11.1	11.1	11.2	11.2
Textile Mill Products	1.8	1.7	1.7	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Apparel	2.5	2.4	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.6	2.6	2.6
Paper & Allied Products	9.2	9.2	9.2	9.2	9.2	9.1	9.3	9.4	9.4	9.3	9.1	9.1	9.0
Printing & Publishing	12.7	12.4	12.4	12.5	12.4	12.4	12.4	12.6	12.8	12.8	12.9	13.2	13.3
Chemicals & Allied Products	2.1	2.0	2.0	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.0	2.0	2.0
Petroleum Refining	0.5	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.4
Rubber & Plastic Products	3.8	3.5	3.6	3.6	3.7	3.7	3.8	3.9	3.9	4.0	4.0	4.0	4.0
Leather Products	0.5	0.5	0.5	0.5	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.4

1987 Continued

	Annual Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
NONMANUFACTURING, TOTAL	889.1	858.3	863.5	871.8	881.8	893.0	901.0	881.5	885.1	898.1	911.1	912.5	911.3
Mining & Quarrying	1.4	1.3	1.3	1.3	1.4	1.4	1.5	1.5	1.5	1.5	1.5	1.5	1.3
Construction	34.5	29.6	29.4	29.9	32.1	34.5	36.0	37.8	39.2	38.6	37.4	35.9	33.8
Transp., Comm. & Utilities	58.3	56.8	57.0	57.2	57.6	57.8	58.4	58.6	58.5	59.4	59.1	59.0	60.1
Transportation	37.0	35.7	35.9	36.0	36.4	36.7	37.1	37.0	37.0	37.9	37.8	37.8	38.9
Railroad	3.9	4.0	3.9	3.9	4.0	4.0	3.9	3.9	4.0	4.0	4.0	3.9	3.8
Trucking & Warehousing	21.2	20.4	20.5	20.4	20.5	20.8	21.3	21.5	21.6	21.8	21.5	21.8	22.7
Other Transportation	11.8	11.3	11.5	11.7	11.9	11.9	11.9	11.6	11.4	12.1	12.3	12.1	12.4
Communications	12.5	12.5	12.5	12.5	12.4	12.3	12.4	12.7	12.6	12.6	12.6	12.5	12.5
Utilities	8.8	8.6	8.6	8.7	8.8	8.8	8.9	8.9	8.9	8.9	8.7	8.7	8.7
Trade	276.3	264.2	262.5	265.2	269.1	273.4	277.6	279.0	282.9	283.5	282.5	286.7	288.7
Wholesale Trade	69.1	65.9	65.8	66.5	67.4	67.8	68.9	69.9	71.6	71.5	71.3	70.8	71.3
Durable Goods	40.5	39.0	38.9	39.2	39.6	39.8	40.5	41.0	41.6	41.5	41.4	41.3	41.7
Nondurable Goods	28.6	26.9	26.9	27.3	27.8	28.0	28.4	28.9	30.0	30.0	29.9	29.5	29.6
Retail Trade	207.2	198.3	196.7	198.7	201.7	205.6	208.7	209.1	211.3	212.0	211.2	215.9	217.4
General Merchandise	27.2	26.5	25.3	25.2	25.6	25.8	26.3	26.8	27.2	27.1	27.9	30.6	31.8
Food Stores	33.7	32.2	32.1	32.2	32.6	33.2	33.7	34.3	34.7	34.8	34.9	35.2	34.2
Auto Dealers & Service Stations	26.0	24.7	24.9	25.2	26.0	26.5	26.8	26.9	26.7	26.5	26.2	25.7	25.3
Other Retail Trade	120.4	114.9	114.4	116.1	117.5	120.1	121.9	121.1	122.7	123.6	122.2	124.4	126.1
Finance, Ins. & Real Estate	71.7	70.1	70.2	70.7	71.3	71.8	72.5	73.1	72.7	72.3	71.9	71.5	71.9
Banking & Credit Agencies	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.8	23.7	23.6	23.6	23.8
Other Finance, Ins. & Real Estate	47.9	46.3	46.4	46.9	47.5	48.0	48.7	49.3	48.9	48.6	48.3	47.9	48.1
Services	242.4	233.0	236.7	239.0	242.1	243.3	242.9	243.6	243.9	245.4	247.1	245.7	245.9
Hotels & Personal Services	26.0	24.3	24.5	25.2	25.8	26.4	27.0	27.3	27.6	27.0	26.3	25.4	24.8
Health Services	74.7	73.3	73.4	73.9	74.0	73.9	74.7	75.0	75.3	75.2	75.6	75.7	76.2
Other Services	141.7	135.4	138.8	139.9	142.3	143.0	141.2	141.3	141.0	143.2	145.2	144.6	144.9
Government	204.5	203.3	206.4	208.5	208.2	210.8	212.1	187.9	186.4	197.4	211.6	212.2	209.6
Federal	30.2	28.6	28.0	28.6	29.7	30.1	30.8	31.2	31.4	31.3	31.1	30.7	30.4
State Government	56.9	55.2	56.6	57.8	57.7	57.5	58.7	54.2	53.7	53.9	59.5	59.0	58.4
Education	23.6	24.1	25.2	25.4	25.0	24.9	24.9	19.8	19.2	19.1	24.9	25.6	25.2
Other State	33.2	31.1	31.4	32.4	32.7	32.6	33.8	34.4	34.5	34.8	34.6	33.4	33.2
Local Government	117.5	119.5	121.8	122.1	120.8	123.2	122.6	102.5	101.3	112.2	121.0	122.5	120.8
Education	73.4	77.1	79.2	79.2	77.6	79.0	77.1	56.3	55.1	67.4	77.1	78.8	77.4
Other Local	44.1	42.4	42.6	42.9	43.2	44.2	45.5	46.2	46.2	44.8	43.9	43.7	43.4
LABOR-MANAGEMENT DISPUTES	0.2	0.0	0.0	0.0	1.4	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1

1/ Includes employed and unemployed individuals 16 years and older by place of residence. Data are adjusted for multiple job-holding and commuting. Includes nonagriculture wage and salary, self-employed, unpaid family workers, domestics, agriculture and labor disputants.

2/ Sum of monthly estimates divided by 12. Unemployment rate derived by dividing unemployment by civilian labor force.

3/ This nonagricultural wage and salary employment series is based on the 1972 Standard Industrial Classification (SIC) manual as amended by the 1977 supplement. The data are by place of work and persons working multiple jobs are counted more than once. Workers involved in labor-management disputes are excluded from the wage and salary employment totals.

4/ Total nonagricultural wage and salary employment, seasonally adjusted and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774.3) and that of 1977 (936.9).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

State of Oregon
EMPLOYMENT DIVISION
Department of Human Resources

Research and Statistics
March 1987 Benchmark
March 1988

OREGON RESIDENT LABOR FORCE, UNEMPLOYMENT & EMPLOYMENT 1986 1/

	Annual 2/ Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
CIVILIAN LABOR FORCE	1,360.0	1,320.9	1,325.1	1,330.7	1,344.9	1,357.6	1,387.0	1,368.4	1,378.0	1,372.7	1,382.5	1,379.5	1,372.8
UNEMPLOYMENT	115.0	136.7	136.6	131.7	123.9	116.2	111.5	111.0	106.8	98.2	96.8	104.0	106.6
Percent of Labor Force	8.5	10.3	10.3	9.9	9.2	8.6	8.0	8.1	7.8	7.2	7.0	7.5	7.8
Seasonally Adjusted Percent	8.5	8.7	8.9	8.9	8.8	8.9	8.7	8.7	8.8	8.2	7.9	7.7	7.4
TOTAL EMPLOYMENT	1,245.0	1,184.2	1,188.5	1,199.0	1,221.0	1,241.4	1,275.5	1,257.4	1,271.2	1,274.5	1,285.7	1,275.5	1,266.2

OREGON NONAGRICULTURAL WAGE & SALARY EMPLOYMENT 1986 3/ **

	Annual 2/ Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
TOTAL WAGE & SALARY	1,058.5	1,020.3	1,024.8	1,033.0	1,047.2	1,059.9	1,073.6	1,054.7	1,065.0	1,078.0	1,086.0	1,081.3	1,077.7
Wage & Salary Empl. Index (1977=100) 4/	113.0	111.5	111.4	112.0	112.6	112.8	112.8	112.9	113.3	113.4	114.0	114.2	114.7
Diffusion Index 5/	53.1	44.2	45.3	45.7	54.7	56.6	55.8	52.7	54.7	55.4	57.0	54.6	60.1
MANUFACTURING, TOTAL	198.4	190.6	190.6	190.5	192.6	196.1	202.1	200.8	206.7	208.6	205.4	199.7	196.9
Durable Goods	143.4	140.4	139.9	139.7	141.9	144.4	146.3	143.2	145.6	146.8	145.9	144.0	142.8
Lumber & Wood Products	64.6	60.5	60.9	61.1	62.8	64.3	66.2	64.9	65.6	67.7	67.2	66.9	66.1
Logging & Sawmills	33.4	30.9	30.9	30.7	31.8	32.9	34.2	33.1	35.5	35.6	35.4	34.9	34.3
Veneer & Plywood	16.8	16.1	16.2	16.6	16.8	17.0	17.2	16.9	15.9	16.9	17.1	17.5	17.5
Millwork & Structural Wood	9.5	8.7	8.9	8.9	9.1	9.2	9.7	9.8	10.1	10.1	9.8	9.6	9.6
Mobile Homes	1.3	1.3	1.3	1.3	1.4	1.4	1.3	1.3	1.4	1.4	1.3	1.3	1.2
Other Wood Products	3.7	3.5	3.6	3.6	3.7	3.8	3.8	3.8	3.7	3.7	3.6	3.6	3.5
Furniture & Fixtures	2.7	2.6	2.5	2.5	2.6	2.6	2.7	2.7	2.8	3.0	2.9	2.7	2.6
Stone, Clay, Glass & Concrete Prod.	3.3	3.0	3.0	3.1	3.2	3.3	3.4	3.5	3.5	3.5	3.5	3.3	3.2
Primary Metals	8.6	8.7	8.7	8.8	8.5	8.5	8.5	8.6	8.6	8.6	8.6	8.5	8.6
Blast Furnaces, Iron & Steel Found.	5.3	5.4	5.4	5.5	5.3	5.3	5.3	5.4	5.4	5.3	5.3	5.2	5.3
Nonferrous Metals	3.3	3.3	3.3	3.3	3.2	3.2	3.2	3.2	3.2	3.3	3.3	3.3	3.3
Fabricated Metals	10.6	11.1	10.8	10.7	10.7	10.7	10.8	10.5	10.6	10.5	10.2	10.2	10.0
Fabricated Structural Metals	4.8	5.3	5.1	5.1	5.0	5.0	5.0	4.6	4.6	4.5	4.3	4.3	4.2
Other Fabricated Metals	5.8	5.8	5.7	5.6	5.7	5.7	5.8	5.9	6.0	6.0	5.9	5.9	5.8
Machinery	15.0	14.9	14.9	14.8	15.0	15.0	15.0	15.1	15.1	15.0	15.0	15.0	15.2
Electrical Equipment & Supplies	12.9	13.3	13.2	12.7	12.7	12.8	12.9	13.0	13.0	13.0	13.0	12.8	12.8
Transportation Equipment	10.1	9.9	9.5	9.7	10.2	11.1	10.9	9.2	10.3	10.7	10.7	9.9	9.6
Instruments & Related Products	13.1	14.1	14.1	13.9	13.8	13.6	13.4	13.1	12.5	12.2	12.2	12.1	12.1
Miscellaneous Manufacturing	2.5	2.3	2.3	2.4	2.4	2.5	2.5	2.6	2.6	2.6	2.6	2.6	2.6
Nondurable Goods	55.0	50.2	50.7	50.8	50.7	51.7	55.8	57.6	61.1	61.8	59.5	55.7	54.1
Food & Kindred Products	23.7	19.8	20.4	20.4	20.2	21.1	24.7	26.1	29.3	29.7	27.3	23.6	21.9
Canning & Preserving	13.0	9.5	10.1	10.1	9.9	10.7	14.1	15.3	18.3	18.6	15.9	12.3	10.7
Other Food Products	10.8	10.3	10.3	10.3	10.3	10.4	10.6	10.8	11.0	11.1	11.4	11.3	11.2
Textile Mill Products	1.6	1.6	1.6	1.5	1.5	1.5	1.5	1.6	1.6	1.7	1.7	1.7	1.7
Apparel	2.3	2.3	2.3	2.4	2.3	2.2	2.3	2.2	2.3	2.3	2.3	2.4	2.4
Paper & Allied Products	9.1	9.0	8.9	8.9	8.9	8.9	9.2	9.3	9.3	9.3	9.1	9.1	9.2
Printing & Publishing	12.0	11.5	11.5	11.5	11.7	11.8	11.8	12.0	12.2	12.3	12.5	12.4	12.5
Chemicals & Allied Products	2.0	2.0	2.0	2.0	2.0	2.0	2.1	2.1	2.1	2.0	2.0	2.0	2.0
Petroleum Refining	0.5	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.5	0.6	0.5	0.5
Rubber & Plastic Products	3.4	3.2	3.2	3.3	3.3	3.3	3.3	3.4	3.4	3.5	3.5	3.5	3.5
Leather Products	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.4

1986 Continued

	Annual Average	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
NONMANUFACTURING, TOTAL	860.1	829.7	834.2	842.5	854.6	863.8	871.5	853.9	858.3	869.4	880.6	881.6	880.8
Mining & Quarrying	1.4	1.3	1.2	1.2	1.5	1.6	1.5	1.5	1.5	1.5	1.5	1.5	1.4
Construction	34.3	30.7	30.0	31.4	33.3	34.2	35.8	37.1	38.1	37.8	36.8	34.1	32.4
Transp., Comm. & Utilities	57.2	55.8	55.7	55.6	56.4	56.6	57.0	57.7	57.6	58.3	58.3	58.4	58.9
Transportation	35.7	34.1	34.2	34.2	34.8	35.0	35.9	35.8	35.8	36.7	37.1	37.1	37.7
Railroad	4.3	4.5	4.5	4.5	4.4	4.4	4.3	4.3	4.2	4.1	4.1	4.1	4.0
Trucking & Warehousing	20.3	18.8	18.8	18.9	19.4	19.6	20.6	20.8	20.9	21.1	21.3	21.4	22.1
Other Transportation	11.1	10.8	10.9	10.8	11.0	11.0	11.0	10.7	10.7	11.5	11.7	11.6	11.6
Communications	12.8	13.0	12.9	12.8	12.9	12.9	12.3	13.0	13.0	12.9	12.6	12.7	12.6
Utilities	8.7	8.7	8.6	8.6	8.7	8.7	8.8	8.9	8.8	8.7	8.6	8.6	8.6
Trade	267.3	256.0	254.5	257.6	263.1	266.2	271.3	270.6	273.3	273.4	271.2	273.7	276.1
Wholesale Trade	67.4	65.3	65.4	66.1	67.2	67.1	67.9	68.1	68.9	69.1	68.7	67.4	67.4
Durable Goods	39.5	38.5	38.6	38.7	39.6	39.9	40.2	40.1	40.0	39.9	39.8	39.4	39.5
Nondurable Goods	27.9	26.8	26.8	27.4	27.6	27.2	27.7	28.0	28.9	29.2	28.9	28.0	27.9
Retail Trade	199.9	190.7	189.1	191.5	195.9	199.1	203.4	202.5	204.4	204.3	202.5	206.3	208.7
General Merchandise	26.2	25.9	25.0	24.7	25.3	25.5	25.7	25.9	26.0	26.1	26.3	28.3	29.6
Food Stores	31.7	30.0	29.7	30.1	30.9	31.4	32.3	32.6	32.8	32.7	32.5	32.8	32.8
Auto Dealers & Service Stations	25.2	23.8	23.8	24.2	24.8	25.1	25.7	26.0	26.3	26.2	25.8	25.5	25.3
Other Retail Trade	116.8	111.0	110.6	112.5	114.9	117.1	119.7	118.0	119.3	119.3	117.9	119.7	121.0
Finance, Ins. & Real Estate	69.5	66.9	67.1	67.6	68.4	69.1	70.1	71.0	71.2	71.1	70.5	70.2	70.6
Banking & Credit Agencies	23.7	23.4	23.2	23.3	23.5	23.6	23.8	24.1	24.2	24.1	23.8	23.9	23.9
Other Finance, Ins. & Real Estate	45.8	43.5	43.9	44.3	44.9	45.5	46.3	46.9	47.0	47.0	46.7	46.3	46.7
Services	230.2	219.2	222.3	224.8	228.3	230.4	231.2	232.4	233.4	234.4	235.1	235.4	235.9
Hotels & Personal Services	25.5	23.5	24.1	24.5	25.0	25.3	26.5	26.9	27.3	26.8	25.9	25.0	24.8
Health Services	72.5	70.7	71.0	71.5	71.9	72.1	72.7	73.1	73.5	73.8	72.9	73.1	73.7
Other Services	132.3	125.0	127.2	128.8	131.4	133.0	132.0	132.4	132.6	133.8	136.3	137.3	137.4
Government	200.2	199.8	203.4	204.3	203.6	205.7	204.6	183.6	183.2	192.9	207.2	208.3	205.5
Federal	29.6	28.3	28.4	28.4	28.5	29.2	29.8	31.0	30.8	30.9	30.4	29.4	29.5
State Government	54.6	54.0	55.3	55.8	55.7	55.3	55.2	51.8	51.8	51.3	56.4	56.8	55.7
Education	23.0	23.4	24.4	24.6	24.3	24.1	23.3	19.2	18.5	18.9	24.5	25.3	25.0
Other State	31.6	30.6	30.9	31.2	31.4	31.2	31.9	32.6	33.3	32.4	31.9	31.5	30.7
Local Government	116.0	117.5	119.7	120.1	119.4	121.2	119.6	100.8	100.6	110.7	120.4	122.1	120.3
Education	73.0	76.3	78.2	78.3	77.5	78.6	75.8	55.8	55.3	66.6	77.3	78.9	77.2
Other Local	43.1	41.2	41.5	41.8	41.9	42.6	43.8	45.0	45.3	44.1	43.1	43.2	43.1
LABOR-MANAGEMENT DISPUTES	0.6	0.0	0.0	0.0	0.0	0.0	0.7	3.2	2.0	0.8	0.1	0.1	0.0

** Data are in thousands

1/ Includes employed and unemployed individuals 16 years and older by place of residence. Data are adjusted for multiple job-holding and commuting. Includes nonagriculture wage and salary, self-employed, unpaid family workers, domestics, agriculture and labor disputants.

2/ Sum of monthly estimates divided by 12. Unemployment rate derived by dividing unemployment by civilian labor force.

3/ This nonagricultural wage and salary employment series is based on the 1972 Standard Industrial Classification (SIC) manual as amended by the 1977 supplement. The data are by place of work and persons working multiple jobs are counted more than once. Workers involved in labor-management disputes are excluded from the wage and salary employment totals.

4/ Total nonagricultural wage and salary employment, seasonally adjusted and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774.3) and that of 1977 (936.9).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

HOURS & EARNINGS

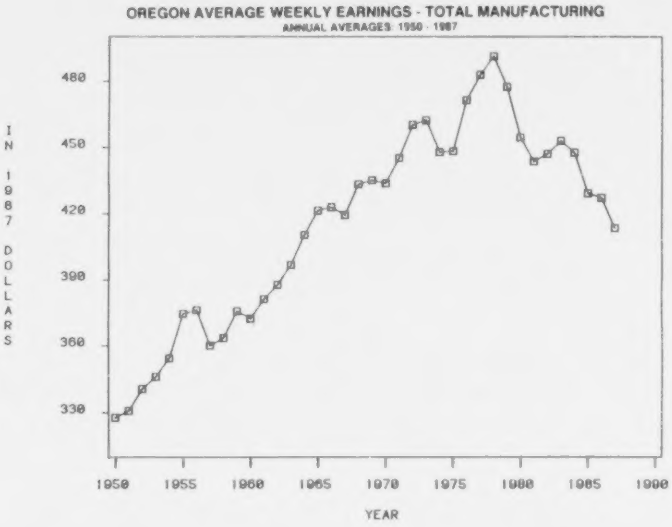
Graham Slater

This is the last of three articles which focus on the usefulness of Hours and Earnings economic data. The first two covered average weekly hours and hourly earnings. This month we complete the series with some comments on average weekly earnings and the use of earnings data in general.

Average Weekly Earnings (AWE)

1. This statistic translates hourly earnings into a meaningful "dollars in the pocket" figure. For example, hourly earnings in printing & publishing exceed those of lumber & wood products, but due to a shorter workweek, the publishing employee takes home less money at the end of the week. The figures are:

2. AWE data allows interpretation of major changes in terms of actual dollars



AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Jan.[2] 1988	Dec.[3] 1987	Jan. 1987	Jan.[2] 1988	Dec.[3] 1987	Jan. 1987	Jan.[2] 1988	Dec.[3] 1987	Jan. 1987
TOTAL MANUFACTURING[4]	$427.33	$420.90	$411.95	39.9	39.3	38.9	$10.71	$10.71	$10.59
Durable Goods	433.35	425.86	414.88	40.5	39.8	39.4	10.70	10.70	10.53
Lumber & Wood Products	430.64	418.86	410.78	39.8	39.0	38.9	10.82	10.74	10.56
Logging & Sawmills	455.91	437.37	429.66	39.1	37.9	38.5	11.66	11.54	11.16
Veneer & Plywood	425.82	409.51	408.18	40.4	39.3	39.4	10.54	10.42	10.36
Millwork & Structural	381.43	385.14	355.03	42.1	42.0	39.1	9.06	9.17	9.08
Mobile Homes	267.95	318.45	318.15	32.4	36.9	35.0	8.27	8.63	9.09
Other Wood Products	425.72	413.43	419.35	40.7	40.1	40.4	10.46	10.31	10.38
Furniture & Fixtures	296.58	316.09	340.72	37.4	37.9	41.4	7.93	8.34	8.23
Primary Metals	506.60	525.64	487.22	42.5	42.7	40.4	11.92	12.31	12.06
Fabricated Metals	392.69	381.64	371.70	40.4	40.6	38.8	9.72	9.40	9.58
Machinery (Ex Electrical)	451.36	459.91	427.84	40.7	41.1	38.2	11.09	11.19	11.20
Nondurable Goods	410.65	407.43	405.00	38.2	37.9	37.5	10.75	10.75	10.80
Food & Kindred Products	323.76	322.49	338.90	35.5	35.4	35.9	9.12	9.11	9.44
Canning & Preserving	272.43	266.40	291.15	33.8	33.3	35.9	8.06	8.00	8.11
Other Food Products	381.75	381.26	386.64	37.5	37.6	36.0	10.18	10.14	10.74
Textile Mill Products	238.92	263.20	244.69	35.5	37.6	37.3	6.73	7.00	6.56
Apparel	229.26	218.89	223.06	37.4	36.3	38.0	6.13	6.03	5.87
Paper & Allied Products	651.57	660.91	623.66	43.7	43.0	41.8	14.91	15.37	14.92
Printing & Publishing	436.60	425.35	412.25	37.0	36.7	35.6	11.80	11.59	11.58
Construction[4]	457.58	466.66	446.85	33.4	33.5	33.1	13.70	13.93	13.50
Communications & Utilities[5]	541.93	553.38	503.60	40.9	40.6	40.0	13.25	13.63	12.59
Trade[5]	292.79	282.38	280.17	33.5	33.3	33.0	8.74	8.48	8.49
Wholesale Trade	407.36	378.97	387.66	38.0	36.3	36.4	10.72	10.44	10.65
Retail Trade	238.33	235.32	228.80	31.4	31.8	31.3	7.59	7.40	7.31
Banking & Insurance[5]	331.88	309.46	310.72						
State & Local Government	370.89	365.43	352.79						

1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

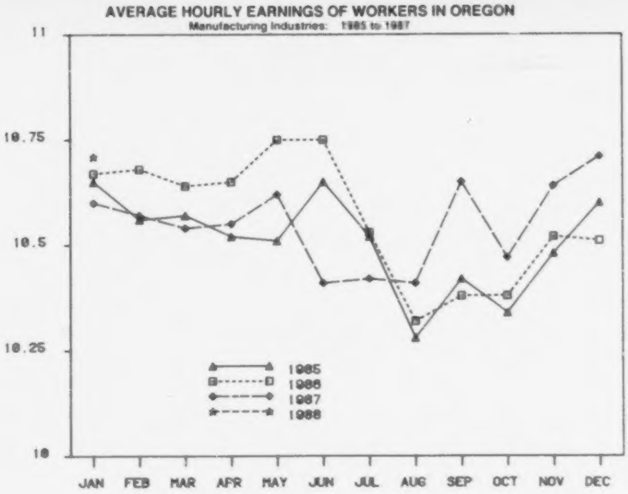
5/ Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

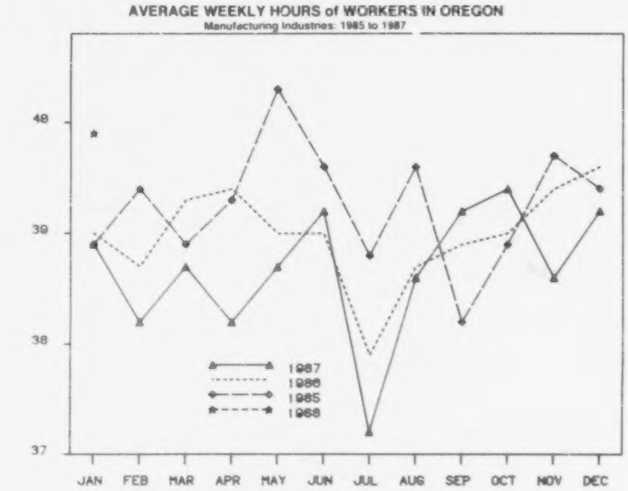
in the economy. Return again to last fall's logging example. Adding together the impact of those who were totally out of work (700 production workers laid off between August and September) and the drop in hours worked for those remaining on the job, total income for production workers in the logging industry dropped by $1.7 million for every week of the slowdown!

	Publishing	Lumber
AHE	$11.43	$10.84
AWH	36.0	40.0
AWE	$411.48	$433.60

Finally, a caution on the use of hours & earnings data, particularly earnings. By definition, these statistics include only "regular" income. For example, payment for wages, salaries, overtime, vacations, and sick leave would be included, but "irregular" items such as tips, lump sums, profit sharing, and occasional bonuses are excluded. As companies introduce more flexible benefit packages, earnings data represent only one part of the total compensation to the employee.

I hope that these ideas for using hours & earnings data prove helpful. The data are available and "the phone lines are open". Several analysts are familiar with these data and can be reached by calling (503) 378-8658. ☐





REGIONAL STRATEGIES: A PROGRAM OF CHOICE

George L. Wyatt

(Editor's note: Mr. Wyatt is the Director of the Regional Strategies Program within The Oregon Economic Development Department. In this month's issue of **Oregon Labor Trends**, *we present the first half of Mr. Wyatts' article.)*

On May 13, 1987, Governor Goldschmidt signed into law the Regional Economic Development Strategies Program. This was perceived as the linchpin program in the Oregon Comeback. It established the opportunity for communities across the State to take a leadership role in developing their own economic comeback. This program represented the Governor's commitment to improve the economic health of the State. He envisioned Oregon's local citizens becoming actively involved in designing the economic destiny of their communities. Regional Strategies was an open invitation for economic development to become a public process and not the result of primarily private sector entrepreneurial decisions.

A regional strategy is a near term economic development plan which focuses on a principal economic activity; . . .

Each region was to choose one item to place on the State's economic agenda. Some regions were expected to choose secondary wood or agriculture processing, while others were more likely to opt for value added high technology, metals processing or fabrication, or tourism. The regions were asked specifically to choose one thing, and only one, for their economic strategy of choice. The strategy was to be a local decision based on a comprehensive and objective assessment of local assets. This strategy of choice was to be the one thing it could do substantially better with a state partnership.

The Regional Strategies Program assumed that local citizens could and would become active participants in the economic development process. The Oregon economy was considered to be the sum of many regional economies. For the Oregon Comeback to be successful, every region in the state was expected to have its own comeback plan. It was for this reason that the Regional Strategies Program was considered to be the cornerstone of the Governor's Oregon Comeback Program.

REGIONAL STRATEGIES PROCESS

A regional strategy is a near term economic development plan which focuses on a principal economic activity; capitalizes on leverage and job creation opportunities; is self-sustaining; and offers long term economic growth and/or development prospects. The plan is developed and adopted by a county or group of counties which can benefit by combining their efforts. It is then proposed to the State for adoption. In developing a regional strategy, a principal economic activity refers to a major industry or a grouping of firms under several industry categories producing related goods and services which build upon the assets of a region to secure or diversify that region's economic base and bring income and jobs into a region of the State. General efforts to improve the economy which cannot be directly tied to a major industry or grouping of firms, such as promotion of small businesses in general or statewide resource management issues such as timber supply and agricultural supply, do not constitute a principal economic activity in this program.

. . . a regional strategy is intended to help focus the investment of limited public and private resources into projects and activities that will pay off in new jobs and increased income for the region . . .

A regional strategy is a goal toward which progress is achieved by focusing on principal economic activity to produce jobs and economic benefits over a three to five year period. It is not meant to direct all long-term economic development efforts in the region. Instead, a regional strategy is intended to help focus the investment of limited public and private resources into projects and activities that will pay off in new jobs and increased income for the region and the State in the next few years. The strategy of choice should provide an economic stimulus to the regional economy, be locally determined, and be the result of a careful and objective assessment of human and natural resources as well as the assessment of the marketplace. To develop this near term plan, the region needs to evaluate economic development opportunities that are immediately available and develop a plan to pursue those job and income-generating opportunities that will have significant and measurable near term economic impact.

Projects associated with a regional strategy are tasks, improvements, or actions needed to help implement a regional strategy. To be carried out, a project may require the assistance of local governments, the private sector, the state and/or federal government. Short list projects refer specifically to a prioritized list of projects for which an immediate commitment of state assistance is sought to help implement a regional strategy. State assistance is not limited to funding but cannot include ongoing or continuing operating expenses, debt retirement or service, and reimbursement to any person, municipality or agency for expenditures made or expenses incurred prior to the adoption of a regional strategy.

. . . opportunity for communities across the State to take a leadership role in developing their own economic comeback.

There are several general steps involved in the development and approval of a regional strategy. All of these steps will be taken by each region, although not necessarily in the same order. The steps are:

1. Organize locally
2. Identify assets, liabilities, and job-creating and other economic opportunities
3. Define the region (single or multi-county)
4. Write the draft regional strategy document
5. Adoption of the regional strategy by county governing body
6. Strategy review by the State
7. Approval by the Governor

The county governing body is designated as the catalyst for developing and adopting a regional strategy. The Regional Strategies Unit and the Oregon Department of Economic Development are responsible to review the submitted strategy against requirements and adherence to the statutory objectives of the program. This review will include all state agencies affected by the strategy and will confirm the commitments to be made by other governments and organizations, including private interests, if the strategy is adopted. The Department may suggest alternative sources of state assistance to those proposed by the region in the submitted strategy.

The Department's recommendation to the Governor must address the choice of strategy, the definition of the region, the level of funding for the strategy, the short list projects to be funded, and the level and sources of funding for these projects. Upon receipt and review of the Department's recommendation, the Governor may formally designate the region and adopt the regional strategy or return the strategy to the region for modification. Adoption by the Governor will include approval of the strategy and the region, the level of funding for the strategy, the short list projects to be funded, and the level and sources of funding for these short list projects.

STANDARDS FOR STRATEGIES

Regional economic development strategies should address the following standards:

1. Build or enlarge economically viable industries, with reasonable long-term growth prospects, including opportunities for innovative new industries;
2. Result in a net benefit to the state in the long term and not require continuing state subsidies;
3. Utilize existing public and private assets, including infrastructure, human resources and plant and equipment;
4. Improve the conditions of the economically disadvantaged and increase the number of family wage jobs;
5. Harness Oregon's comparative advantage with emphasis on the growth and development of existing, in-state businesses, especially small businesses;
6. Direct assistance primarily to strategies that assist businesses selling goods and services in markets for which national or international competition exists;
7. Result in the economic revitalization of small cities and underdeveloped urban and rural areas; and
8. Assure that public investments to implement a strategy are matched to the maximum extent possible, by the contribution of private financial and other resources.

Next month, we will look at challenges, a progress report, and future directions. ☐

EMPLOYERS' CORNER - THE CHALLENGES OF THE 90's

Dorothy Monnier

A major challenge our country now faces if we are to improve our competitive position in world markets is not the lack of jobs, but rather a lack of literate individuals to meet the demands of our expanding economy.

Every employer who builds employees' skills today offers not just his or her company, but this country, a better tomorrow by recognizing and influencing employees who have reading problems to seek help.

Most business men and women would agree that in today's highly competitive and complex market place an educated workforce is a critical asset. Yet one in nine employees in America today is functionally illiterate.

Without basic reading and writing skills these workers cannot possibly perform to their full potential. If they could, the increased benefits both to themselves and to their employers would be considerable. Functional illiteracy in the United States means 27 million people over the age of 17 who can't read and write well enough to function in the basic requirement of everyday living and working. Add to this number another 45 million adults who are only marginally competent in their basic skills and the total becomes 72 million, or one out of every three adult Americans. According to the U.S. Department of Education, this figure is growing by 2 1/4 million every year! Imagine what this figure will be by the year 2000 if we don't work together to reduce the problem.

According to current figures compiled by the Oregon State Board of Education, Oregon ranks 7th nationwide for being one of the most literate states. The percentage of functional illiterates in our adult population is 15%.

As employers, you need to begin thinking about what you can do to protect your business. Illiteracy is not just a social issue; it is also a dollar-and-cents issue, one that affects a company's productivity, its bottom line. If employees cannot read, then the businesses they work for are going to be affected, not only in terms of productivity, but also in terms of profits, job performance, and safety.

For more information please call Dorothy Monnier, State JSEC Coordinator at 1-800-237-3710 ext 8-4446.□

JSEC SEMINARS FOR EMPLOYERS

Local Job Service Employer Committees have scheduled the following seminars for employers during April, 1988:

DISCRIMATION AND DISCHARGE
Takeena Lodge, Albany
April 13 . . . 7:30 AM to 1:00 Noon
Call Andy Runnion or
Sue Hankins ph. 967-9139

THE EMPLOYMENT INTERVIEW/TERMINATION PROCEDURES
Holiday Inn South, 1-5, Stafford Rd. Exit
April 26 . . . 7:15 AM to 11:00 AM
Call Cathie Moravec or
Jerry Howard, ph. 657-2078

OREGON LABOR TRENDS

OREGON LABOR TRENDS is published monthly by the Research and Statistics Section of the Oregon Employment Division, W. E. Hunter, Administrator.

Send comments, questions, and address changes ATTN: Jeff Hannum, R&S-LMI or Phone (503) 378-2736 or toll free 1-800-237-3710 ext. 8-8657.

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DEPARTMENT OF HUMAN RESOURCES
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OREGON LABOR TRENDS

APRIL 1988

MARCH INDICATORS

UNEMPLOYMENT RATE

Oregon		*(Seas. Adj)*
Mar.	1988	5.9
Feb.	1988	6.1
Mar.	1987	6.8
U.S.		
Mar.	1988	5.6
Feb.	1988	5.7
Mar.	1987	6.5

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	*1977=100*	
Mar.	1988	120.7
Feb.	1988	120.1
Jan.	1988	119.7
Dec.	1987	118.8
Nov.	1987	118.4

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon		
Feb.	1988	$10.71
Jan.	1988	$10.69
Feb.	1987	$10.58

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon		
Feb.	1988	40.0
Jan.	1988	39.9
Feb.	1987	39.6

CONSUMER PRICE INDEX (CPI)

1967-100
ALL URBAN CONSUMERS

Portland-Vancouver	
July-Dec. 1987	327.8
Yearly change	3.3%
Annual Average 1987	324.7
Yearly change	2.5%
U.S.	
Mar. 1988	349.0
Yearly change	3.9%
Annual Average 1987	340.4
Yearly change	3.7%

Portland Hotline 221-4132

A STRONG START IN '88

David Allen

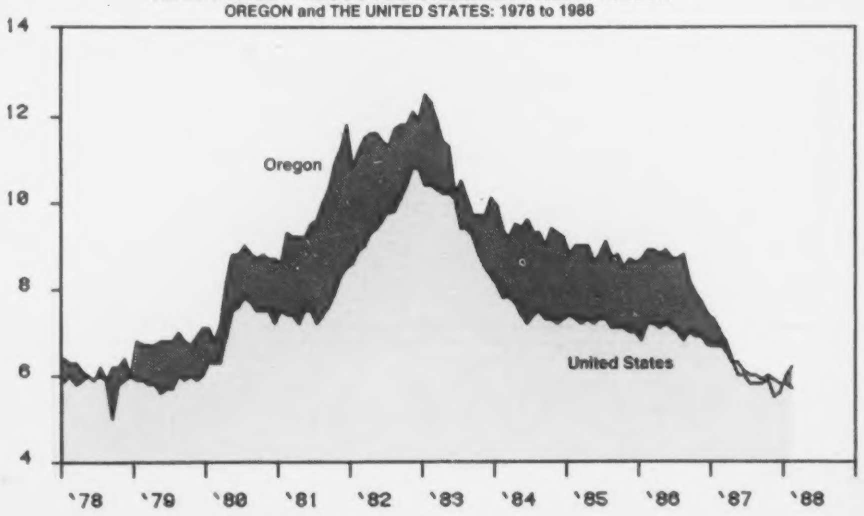
The first quarter of the sixth year of recovery is now history. January, February, and March have set new employment records. Indeed, every quarter since 1982 has seen higher employment than the previous quarter. Oregon's economy has been growing stronger! The combination of a weak dollar, increasing gains in productivity, low inflation, and acceptable interest rates have all contributed to this prosperity.

One troubling factor during January and February was the increase in the seasonally adjusted unemployment rate. January's rate was 6.0%, up from the December rate of 5.6%, and the February rate climbed to 6.1%. Fortunately, this trend did not continue in March, when the rate dropped to 5.9%. Last year, the first quarter unemployment rates were 7.3%, 7.0% and 6.8% for January, February, and March, respectfully. Therefore, this year's first quarter rates averaged one percentage point lower, which is another strong indication of a healthy start for the 1988 Oregon economy.

A closer look at the figures for March is also impressive. Highlights include the following:

- The highest nonfarm payroll employment level (seasonally adjusted) on record for any month.
- Lowest number unemployed in March since 1979.
- Most major industry groups performed better than seasonal expectations. Notable exceptions were insturments and related products (layoff at one large firm), Transportation equipment (contact completions in ship repair), and food and kindred products (temporary shutdown for maintenance).
- Construction had the best month of March since 1981.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES *
OREGON and THE UNITED STATES: 1978 to 1988



* Civilian labor force only

- Services hit another all-time employment mark. March employment records were set in hotels and lodging places, business services, amusement and recreation, and private education. All-time employment records were set in hospitals, other health services, professional, and other personal services .

The growth of construction (1,300 more workers than seasonally expected) during March is of special significance since this is the industry that was hardest hit by the 1980-82 recession. Even after five years of recovery, the 1987 annual average employment for construction was 18,000 workers short of the peak 1979 level. Perhaps, the unexpectedly high figures in March are a sign that 1988 will be a catch-up year for construction, particularly since both residential and nonresidential building trades are showing strong employment gains. However, it is still unlikely that construction employment will, in the foreseeable future, get back to the boom years of the late 70's.

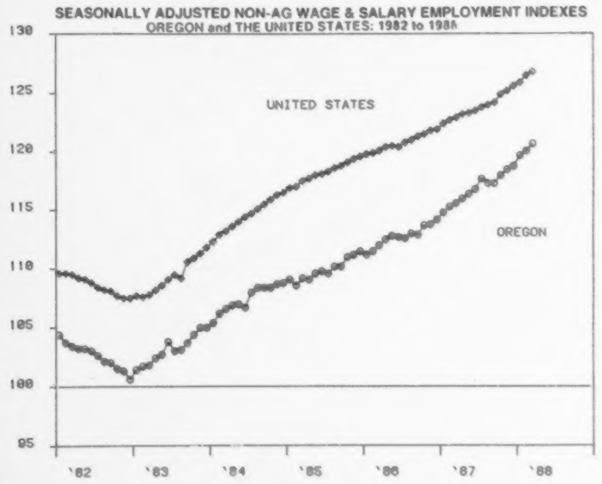
EMPLOYMENT DIVISION JOB OPENINGS RECEIVED AND FILLED JULY 1987 - MARCH 1988

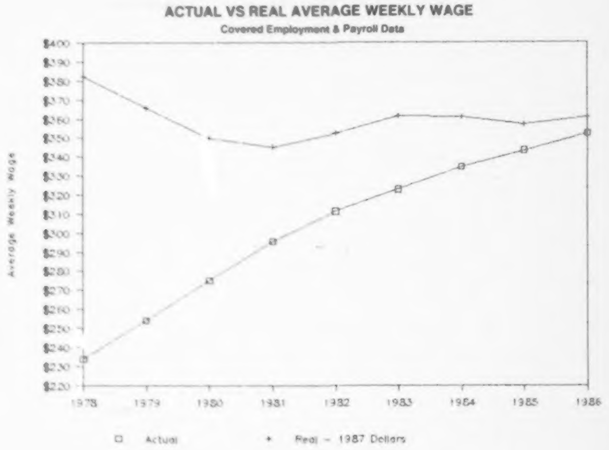
Occupation	Openings Received	Openings Filled*	Unfilled Openings	Non-Ag. Unfilled Openings 30 Days or More
Professional/Technical	5,484	1,751	3,733	5,843
Clerical	11,140	7,524	3,616	799
Sales	5,192	3,718	1,474	157
Domestic	2,775	2,232	543	58
Other Services	16,176	11,117	5,059	658
Farm, Forest, Fish	17,879	15,879	1,716	153
Processing	5,581	5,635	– 54	66
Machine Trades	6,301	4,055	2,246	1,343
Benchwork	3,312	2,574	738	237
Structural	7,312	2,766	4,546	446
Motor/Freight/Transportation	4,260	3,108	1,152	103
Packaging/Material Handling	7,950	6,895	1,055	86
Other	644	521	123	79
TOTAL	93,722	70,775	22,947	10,028

*Some filled openings were from June 1987 activity, i.e., food processing.

As bright as the start of the 1988 economy looks, a new problem seems to be developing, labor shortages! To Oregonians, the talk of labor shortages probably seems strange given our recent past. However, a combination of sustained low unemployment levels, an increasing number of new jobs, a reduction in the number of young workers coming into the labor market due to the baby bust, and the impact of new immigration laws, now all point to potential labor shortages. The Employment Division is now seeing in its own labor force exchange activities a volume of job openings not seen since the late 70's. During the first quarter of 1988, the Employment Division placed over 15,000 workers. This is up 17.2% from the first quarter of last year. Since July 1987, the Employment Division has received from employers almost 94,000 job openings. As the accompanying job openings table demonstrates, all major occupational groups had high levels of activity. Indeed, some 10,000 non-agricultural jobs went unfilled for 30 days or more.

A good illustration of an occupation that has done a turn-around is found in the machine trades. Machinists during the 1980-82 recession reached unemployment levels of 30%. Principally due to the current weak foreign exchange value of the dollar, Oregon machine products are now highly competitive. Consequently, given the current business cycle boom, there is now a shortage of trained machinists. The construction trades have also done an about face. Plumbers, electricians, carpenters, brick layers, and drywall





RESIDENT OREGON LABOR FORCE

	MAR.[1] 1988	FEB.[2] 1988	CHANGE	%CHANGE	MAR.[5] 1987
CIVILIAN LABOR FORCE[3]	1,418,400	1,410,700	7,700	0.5	1,360,500
UNEMPLOYMENT	94,400	100,700	-6,300	-6.3	103,400
PERCENT OF LABOR FORCE	6.7	7.1	XXX	XXX	7.6
SEASONALLY ADJUSTED PERCENT	5.9	6.1	XXX	XXX	6.8
TOTAL EMPLOYMENT[4]	1,324,000	1,310,000	14,000	1.1	1,257,100

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1987 and January 1988, data for 1988 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (BY PLACE OF WORK)

				CHANGE FROM	
INDUSTRY	MAR.[1] 1988	FEB.[2] 1988	MAR. 1987	FEB. 1988	MAR. 1987
TOTAL[3]	1,113,500	1,105,300	1,067,200	8,200	46,300
WAGE & SALARY EMPLOYMENT INDEX[4]	120.7	120.1	115.7	XXX	XXX
TOTAL MANUFACTURING	204,000	204,800	195,400	-800	8,600
DURABLE GOODS	150,400	150,600	142,100	-200	8,300
LUMBER & WOOD PRODUCTS	66,500	66,900	64,200	-400	2,300
LOGGING & SAWMILLS	33,500	33,800	32,300	-300	1,200
VENEER & PLYWOOD	17,700	17,800	17,500	-100	200
MILLWORK & STRUCTURAL WOOD	10,200	10,200	9,600	0	600
MOBILE HOMES	1,400	1,400	1,200	0	200
OTHER WOOD PRODUCTS	3,700	3,700	3,600	0	100
FURNITURE AND FIXTURES	2,500	2,500	2,400	0	100
STONE, CLAY, GLASS & CONCRETE	3,400	3,300	3,200	100	200
PRIMARY METALS	10,100	10,000	8,900	100	1,200
BLAST FURNACES, IRON & STEEL	6,000	6,000	5,400	0	600
NONFERROUS METALS	4,100	4,000	3,500	100	600
FABRICATED METALS	10,400	10,200	9,900	200	500
FABRICATED STRUCTURAL METALS	4,400	4,200	4,400	200	0
OTHER FABRICATED METALS	6,000	6,000	5,500	0	500
MACHINERY	16,100	16,000	15,200	100	900
ELECTRICAL EQUIPMENT & SUPPLIES	14,400	14,200	13,000	200	1,400
TRANSPORTATION EQUIPMENT	11,800	12,100	10,400	-300	1,400
INSTRUMENTS & RELATED PRODUCTS	11,900	12,200	12,100	-300	-200
MISCELLANEOUS MANUFACTURING	3,300	3,200	2,800	100	500
NONDURABLE GOODS	53,600	54,200	53,300	-600	300
FOOD & KINDRED PRODUCTS	19,800	20,400	20,700	-600	-900
CANNING & PRESERVING	9,200	9,900	10,200	-700	-1,000
OTHER FOOD PRODUCTS	10,600	10,500	10,500	100	100
TEXTILE MILL PRODUCTS	1,800	1,800	1,800	0	0
APPAREL	2,700	2,600	2,500	100	200
PAPER & ALLIED PRODUCTS	9,100	9,100	9,200	0	-100
PRINTING & PUBLISHING	13,200	13,300	12,500	-100	700
CHEMICALS & ALLIED PRODUCTS	2,100	2,100	2,100	0	0
PETROLEUM REFINING	400	400	400	0	0
RUBBER & PLASTIC PRODUCTS	4,100	4,000	3,600	100	500
LEATHER PRODUCTS	400	500	500	-100	-100
TOTAL NONMANUFACTURING	909,500	900,500	871,800	9,000	37,700
MINING & QUARRYING	1,300	1,300	1,300	0	0
CONSTRUCTION	33,500	31,700	29,900	1,800	3,600
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	58,600	58,700	57,200	-100	1,400
TRANSPORTATION	37,400	37,400	36,000	0	1,400
RAILROAD	3,800	3,800	3,900	0	-100
TRUCKING & WAREHOUSING	21,400	21,400	20,400	0	1,000
OTHER TRANSPORTATION	12,200	12,200	11,700	0	500
COMMUNICATIONS	12,500	12,600	12,500	-100	0
UTILITIES	8,700	8,700	8,700	0	0
TRADE	280,800	279,100	265,200	1,700	15,600
WHOLESALE TRADE	71,800	71,100	66,500	700	5,300
DURABLE GOODS	42,400	41,900	39,200	500	3,200
NONDURABLE GOODS	29,400	29,200	27,300	200	2,100
RETAIL TRADE	209,000	208,000	198,700	1,000	10,300
GENERAL MERCHANDISE	27,200	27,000	25,200	200	2,000
FOOD STORES	34,200	34,400	32,200	-200	2,000
AUTO DEALERS & SERVICE STATIONS	25,900	25,700	25,200	200	700
OTHER RETAIL TRADE	121,700	120,900	116,100	800	5,600
FINANCE, INSURANCE, & REAL ESTATE	72,800	72,000	70,700	800	2,100
BANKING & CREDIT AGENCIES	24,000	23,900	23,800	100	200
OTHER FINANCE, INSURANCE, & REAL ESTATE	48,800	48,100	46,900	700	1,900
SERVICES	249,900	246,500	239,000	3,400	10,900
HOTELS & PERSONAL SERVICES	26,000	25,200	25,200	800	800
HEALTH SERVICES	77,400	76,600	73,900	800	3,500
OTHER SERVICES	146,500	144,700	139,900	1,800	6,600
GOVERNMENT	212,600	211,200	208,500	1,400	4,100
FEDERAL GOVERNMENT	29,400	29,100	28,600	300	800
STATE GOVERNMENT	59,100	58,800	57,800	300	1,300
EDUCATION	25,500	25,500	25,400	0	100
OTHER STATE	33,600	33,300	32,400	300	1,200
LOCAL GOVERNMENT	124,100	123,300	122,100	800	2,000
EDUCATION	79,800	79,400	79,200	400	600
OTHER LOCAL	44,300	43,900	42,900	400	1,400
LABOR – MANAGEMENT DISPUTES	200	100	0	100	200

1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's Annual Average Employment (774,300) and that of 1977 (936,900).

installers are currently all in high demand. What a change from just a few years ago.

As might be expected, the increasing demand for labor is starting to put pressure on wage rates. For example, job openings paying less than $5.00 per hour are becoming hard to fill, and wages offered for many jobs are starting to go up. The graph displaying covered employment and payroll data from 1978 to 1986 does, in fact, show an increase over time in the average weekly wage in actual dollars. Real wages in 1987 dollars, however, have stayed below the 1978 level. Workers earned in 1986, on the average, $21.63 per week less than they did in 1978. However, if the current upward trend in wages continues, fueled by the increased demand for labor, real wages should again reach the pre-recession levels. Oregon will have then, "comeback"! □

NEW LMI PUBLICATIONS

The 1987 **Business & Employment Outlook** publication for the State of Oregon is now available. The purpose of this report is to provide accurate and timely labor market information about Oregon to Job Training Partnership Act program operators, citizens, businesses and others who are involved in the employment, training and economic development fields. The report contains data and analyses on various topics including population, labor force, unemployment, industrial, occupational and income trends. A brief Executive Summary of this report is also available.

Earlier this year, **Business & Employment Outlook** publications (and Executive Summaries) were published for 14 local areas in Oregon.

To obtain copies of any of these annual reports or Executive Summaries please contact:

OREGON EMPLOYMENT DIV. - LMI
875 Union Street N.E.
Salem, OR 97311
PH. (503) 378-8657 □

REGIONAL STRATEGIES: A PROGRAM OF CHOICE

George L. Wyatt

(Editor's note: Mr. Wyatt is the Director of the Regional Strategies Program within The Oregon Economic Development Department. In this month's issue of **Oregon Labor Trends**, *we present the second half of Mr. Wyatt's article.)*

THE REGIONAL STRATEGIES CHALLENGE

The Regional Strategies Program presents several demanding challenges for strategy development and approval. First, to achieve maximum economic development and growth potential for the region, it requires placing economic reality, assessment, and opportunity ahead of more traditional and local political considerations. This relationship is even more complex when economic development is opened to a public process, which is not clearly defined, and not left to a private sector process led by entrepreneurs and business technocrats.

Second, developing a regional strategy requires that the region think and act strategically. Regional strategies, as a program, was not created or envisioned as a traditional block grant program, but rather requires that regions think strategically and develop a plan that builds upon an existing base and positions the region for economic development success in the long term but provides for near term results to check and evaluate the progress of economic development. Strategic thinking as contrasted with project planning is much more of a challenge because there are more variables and more unknowns.

This challenge is further heightened by asking or requiring counties to form multi-county regions whenever possible. This requirement assumes that counties are both willing and able to work together in the pursuit of the same economic development strategy. This requires a more significant commitment of cooperation than the project-by-project support in more traditional community development programs.

Third, the regional strategies program requires a strategy of choice. Decision makers are thrust into a position where they must make a choice on the economic development alternatives for the region, they must be able to make a choice on the evaluative criteria for selecting a strategy of choice from among the alternatives, and, finally, they must be able and willing to make a choice of which strategy to pursue under the Regional Strategies Program. This is a very sensitive position politically and without technical assistance for identifying and assessing the economic alternatives, the choice requirement markedly increases the complexity of the regional strategies development process.

Fourth, it is a challenge to establish the trust relationships essential to the cooperation necessary to the partnership concept inherent in the regional strategies program. These must be developed between and among citizens, various levels of government and the private sector where appropriate. With many new players in the economic development arena and with the new requirement to think strategically and to select a strategy of choice, the trust relationships are in the incubator stage.

Fifth, it is a major challenge to convert an idea for economic development into a regional economic development strategy that makes sense based upon funding requirements and natural and human resources, represents a strategy of choice, gains public support, demonstrates the potential for being self-sustaining, creates family wage jobs, and capitalizes on the potential for leveraging state and federal agencies as well as the private sector during the implementation of the regional strategy.

Sixth, all counties have had to deal with the challenge of trying to develop a regional strategy with little or no technical assistance. The funding of the Regional Strategies Program did not provide for any financial support prior to the adoption and approval of a regional strategy.

Finally, the challenge of keeping the Regional Strategies Program in perspective because it was not meant to displace other ongoing economic development efforts in a county or region. Rather, it was meant to be a program which would allow a region to focus on a strategy of choice and participate in the Oregon Comeback. Regions would necessarily have to select a principal economic activity and associated projects to be funded from the Regional Strategies Fund and supported by state and federal agencies and the private sector. This is an economic development program with a special partnership emphasis but it is not meant to be "the only economic development show in town." Counties and regions are expected and encouraged to continue to pursue other economic development options. Also, the Regional Strategies Program was not created as a panacea for all economic problems at the community, city, county or state levels. The level of funding was limited to $25 million dollars for implementing regional strategies across the state. To be successful, it will require significant leverage which will be gained by working in a cooperative manner with state and federal agencies and the private sector for funding and technical assistance support for implementing a strategy. Consequently, leverage is a key concept in the development, review, and approval processes of the program.

PROGRESS REPORT

The Regional Strategies Unit of OEDD has developed permanent administrative rules, established a strategy development and review process, provided limited technical assistance to regions in the strategy development process, and formulated a funding model and compliance procedure for monitoring approved strategies. The Unit has also developed operating policies and procedures for managing the program.

All counties have been actively involved in the strategy development process. Some are further along in the development of their strategy of choice than others but all counties have made significant progress.

Two regional strategies have been approved by Governor Goldschmidt. Coos County submitted a maritime trade strategy and was finally approved as a single county strategy on February 18, 1988. Central Oregon submitted a tourism strategy for Crook, Deschutes, and Jefferson counties and was approved on March 3, 1988.

FUTURE DIRECTION

The success of Coos County and Central Oregon in having their strategies approved encourages other counties to complete their regional strategy and submit it for review and approval consideration.

Clarification of program administration and responsibility, establishment of permanent rules, and the development of operating policies has helped to create a sense of stability and direction for the Regional Strategies Program.

While questions are still being asked about specific elements of each regional strategy, these tend to be focused on the future and where the program is headed. Most questions are in terms of expectations for program direction and funding over the next several years, and these questions are consistent with the concept of strategic economic development planning which sets in motion an economic development process directed toward the long run economic health of a region and the State but which has near term measurable thresholds sufficient to assess whether or not the regions and the State are on the correct path for promoting and ensuring a healthy, dynamic, responsive economy for Oregon's future. □

OREGON EARNINGS COMPARED

David Cooke

How do the earnings of Oregonians compare with the earnings of workers in neighboring states and in the United States?

One tool of comparison is the average weekly earnings series compiled monthly by the Bureau of Labor Statistics. Within this series, the broadest, most comparable measure between states is the average weekly earnings (AWE) figure for manufacturing production workers. Comparable preliminary figures for December 1987, show that manufacturing AWE for Oregon ($422.76) was less than Washington ($461.24) and California ($451.28), and greater than Nevada ($391.79) and Idaho ($379.85). In December, the highest manufacturing AWE for any state was Michigan ($567.17), while the lowest was Mississippi ($318.01).

With Oregon manufacturing production workers averaging lower pay than workers in larger neighboring states and higher pay than those in smaller neighboring states, how have Oregonians fared against the United States as a whole?

For over twenty years, the average weekly earnings for Oregon manufacturing production workers has been close to 10% higher than the national average. In 1967, the Oregon manufacturing AWE ($123.24) was 8% higher than the U.S. ($114.49). Similarly, ten years later in 1977, Oregon ($257.46)

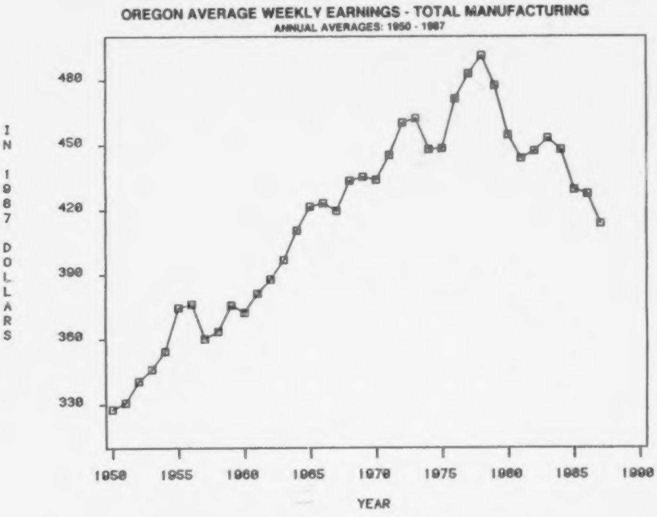
AVERAGE WEEKLY EARNINGS FOR MANUFACTURING PRODUCTION WORKERS

	U.S.	Oregon	Percent Oregon vs. U.S.
1964	$102.97	$112.01	8.8
1965	107.53	117.01	8.8
1966	112.19	120.78	7.7
1967	114.49	123.24	7.6
1968	122.51	132.66	8.3
1969	129.51	140.37	8.4
1970	133.33	148.22	11.2
1971	142.44	158.69	11.4
1972	154.71	169.42	9.5
1973	166.46	180.78	8.6
1974	176.80	194.39	9.9
1975	190.76	212.35	11.3
1976	209.32	236.12	12.8
1977	228.90	257.46	12.5
1978	249.27	281.97	13.1
1979	269.34	304.92	13.2
1980	288.60	329.57	14.2
1981	318.00	355.13	11.7
1982	330.26	379.76	15.0
1983	354.08	398.73	12.6
1984	374.03	409.25	9.4
1985	386.37	406.35	5.2
1986	396.01	412.23	4.1
1987	406.31	413.56	1.8

was 12% higher than the U.S. ($228.90). In fact, between 1964 and 1983, Oregon manufacturing AWE has always been between 8% and 15% above the national average.

Within the last generation, the manufacturing AWE for Oregon and the U.S. have risen each year at about the same rates. During the past three years, however, the previously steady rise in AWE for Oregon has faltered. Not only has inflation-adjusted AWE for Oregon dropped substantially (see accompanying graph), but also, Oregon's AWE has moved much closer to the U.S. average. In 1987, Oregon manufacturing AWE ($413.56) was only 2% higher than the U.S. ($406.31).

While average weekly earnings for manufacturing production workers in Oregon lie somewhere in the middle compared with averages for workers in neighboring states, Oregon workers have recently lost ground compared with the rest of the nation. ☐



AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Feb.[2] 1988	Jan.[3] 1988	Feb. 1987	Feb.[2] 1988	Jan.[3] 1988	Feb. 1987	Feb.[2] 1988	Jan.[3] 1988	Feb. 1987
TOTAL MANUFACTURING[4]	$428.40	$426.53	$418.97	40.0	39.9	39.6	$10.71	$10.69	$10.58
Durable Goods	434.97	432.95	425.01	40.5	40.5	40.4	10.74	10.69	10.52
Lumber & Wood Products	444.17	432.00	437.13	40.9	40.0	41.2	10.86	10.80	10.61
Logging & Sawmills	472.32	460.60	457.97	40.3	39.3	40.6	11.72	11.72	11.28
Veneer & Plywood	449.44	426.62	443.76	42.4	40.4	43.0	10.60	10.56	10.32
Millwork & Structural	369.08	371.45	373.92	41.1	42.5	41.0	8.98	8.74	9.12
Mobile Homes	283.04	272.24	273.90	32.2	32.8	32.3	8.79	8.30	8.48
Other Wood Products	424.54	422.01	434.72	40.9	40.5	41.8	10.38	10.42	10.40
Furniture & Fixtures	305.14	292.59	330.37	36.5	35.9	39.9	8.36	8.15	8.28
Primary Metals	513.33	508.98	492.89	42.6	42.7	40.5	12.05	11.92	12.17
Fabricated Metals	386.50	383.20	370.83	39.6	40.0	39.2	9.76	9.58	9.46
Machinery (Ex Electrical)	455.67	451.88	429.16	41.5	40.6	39.3	10.98	11.13	10.92
Nondurable Goods	406.75	407.29	403.50	38.3	38.1	37.5	10.62	10.69	10.76
Food & Kindred Products	323.23	323.80	323.00	36.4	35.7	35.3	8.88	9.07	9.15
Canning & Preserving	276.68	272.00	273.82	35.7	34.0	34.4	7.75	8.00	7.96
Other Food Products	380.18	380.89	383.29	37.2	37.6	36.4	10.22	10.13	10.53
Textile Mill Products	264.86	238.16	259.52	38.0	35.6	39.5	6.97	6.69	6.57
Apparel	234.36	225.95	230.44	37.8	36.8	38.6	6.20	6.14	5.97
Paper & Allied Products	625.19	645.45	627.82	42.1	43.7	40.9	14.85	14.77	15.35
Printing & Publishing	447.30	437.47	440.67	37.4	37.2	37.0	11.96	11.76	11.91
Construction[4]	475.40	460.59	462.64	34.3	33.4	33.5	13.86	13.79	13.81
Communications & Utilities[5]	542.12	545.71	538.07	40.7	41.0	41.2	13.32	13.31	13.06
Trade[5]	294.62	293.19	291.02	34.1	33.7	33.8	8.64	8.70	8.61
Wholesale Trade	405.08	408.10	404.74	39.1	38.5	37.2	10.36	10.60	10.88
Retail Trade	241.24	238.33	236.67	31.7	31.4	32.2	7.61	7.59	7.35
Banking & Insurance[5]	345.20	340.99	332.73	38.7	38.4	39.8	8.92	8.88	8.36
State & Local Government	365.39	370.45	349.67						

1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

LMI: KEY COMPONENT IN REGIONAL STRATEGIES PLANNING

Tom Lynch

(Editor's note: Mr. Lynch is the Director of Labor Market Information in the Oregon Employment Division).

The creation or retention of jobs and a healthy business climate are the watchwords of the new Regional Strategies economic development program in Oregon. This program requires that each local Regional Strategy group go through a set of steps involving local assessment and economic analysis which lead to identification of local economic development opportunities for any local area. Specific opportunities become apparent as the process of assessment and evaluation continues. How major components of this process are accomplished involves the use of Labor Market Information (LMI) in clarifying the economic potential of the local region.

Labor Market Information can and does enter into the local Regional Strategies Program in three major ways. It provides assistance and analysis of the general economic conditions and economic base of the local area; identification of the local human resource potential; and analysis of the job creation possibilities of the proposed local regional strategy. These three critical attributes are essential if a local Regional Strategy program is to be successful in clarifying its economic development potential.

An analysis of the general economic conditions and economic base of the local region provides information on how and why economic growth and development have changed over time. It identifies the national and international economic forces which are causing these changes and the effects these forces have on the local community. These effects are reflected in the analysis of labor force and unemployment trends, population movements, and changes in industrial and occupational structure provided in the local **Business and Employment Outlook** publications provided by the Labor Market Information Programs staff.

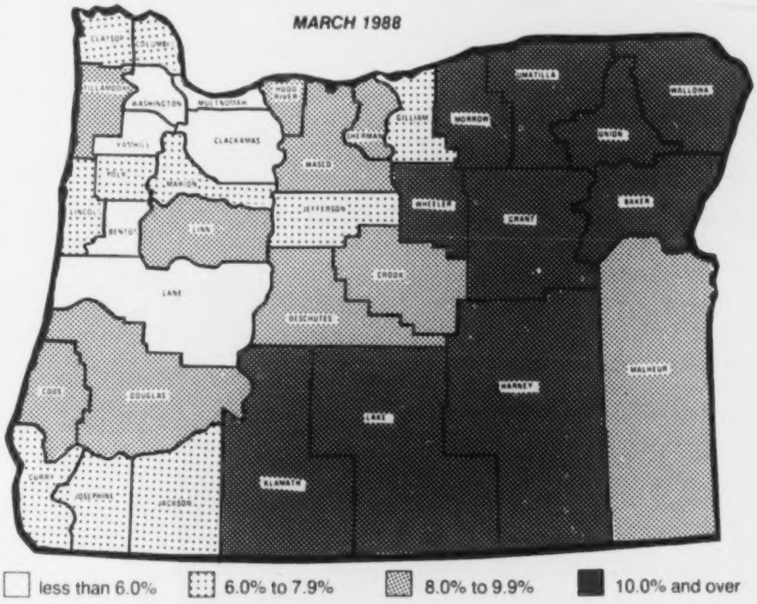
Historically, the weakest link of most economic development programs has been the analysis of the human resource potential of the local area. In many economic development plans this crucial element was either completely ignored or given passing reference in one sentence or a short paragraph. There is still a tendency for this to occur in Oregon but the Regional Strategies Program provides an opportunity to change this inclination. With the ongoing industrial restructuring of many of the local economies, it is important to have an overall profile of the region's human resources. This profile would include such things as the availability of specific occupational skills, educational levels, demographic characteristics of the labor force and population, and the educational and training resources to support the proposed local strategy. The State's Regional Strategies Program asks the local strategy groups to provide this analysis. This type of information has been provided by the Labor Market Information Programs through the **Business and Employment Outlook** publications covering the State and fourteen local areas and the Occupational Program Planning System.

The final questions that all local regional strategies have to consider are the job creation potentials of the proposed strategy. These questions encompass both the numbers and types of jobs as well as the wages or salaries that can be anticipated for the people who fill the new jobs. A variety of economic analysis techniques have been used by the Labor Market Information Programs staff to formulate tentative answers to these questions. The most common technique used to assess the job creation possibilities of the various regional strategies has been Input/Output. This type of analysis requires that the local strategy groups provide answers to various questions that demonstrate the potential impacts of the proposed strategy on local industries. These answers are then introduced to the Input/Output model which produces preliminary estimates as to the numbers and types of jobs that can be expected if the strategy is successful. Although this technique can contain some possible inaccuracies, it provides a quick cost-effective way of measuring the potential impacts of a chosen local regional strategy.

The last question addressed in this economic analysis is the expected wages to be offered by the jobs that could be created from the local strategy. Using a variety of occupational wage sources, Labor Market Information Programs staff provide an assessment of whether these expected wages meet the standards that have been established for the Regional Strategy Program.

Labor Market Information provides a "feasibility" check for most of the local regional strategy proposals being developed in Oregon. The services provided, thus far, are in the early phases of development and should expand if the Regional Strategies Program becomes a permanent tool in the State's economic development efforts. ☐

UNEMPLOYMENT RATES BY AREA


MARCH 1988

EMPLOYERS' CORNER

Gary Lorenz

HIRE SUMMER HELP AND GET A TAX CREDIT

As summertime approaches, many youths will be knocking on your door looking for work. Some of these youths will meet the requirements for the Targeted Jobs Tax Credit (TJTC) program.

Some youths may qualify under the "Qualified Summer Youth l6 and l7 Age" Target Group. Employers who hire qualified youths from this age group after May l, l988 are eligible to take a Federal tax credit. For each qualified youth hired, an employer can earn a tax credit of 85% on the first $3,000 of wages paid. The maximum tax credit is $2,550. This program ends on September l5, l988.

Some of the youths, ages l8-24, may qualify the employer for a tax credit of 40% based on the first $6,000 of wages paid to each eligible youth in the first year of employment.

To obtain the Federal tax credit the employer must do the following:

1. Hire youths from one of the target groups.
2. Request TJTC certification in writing before they start work.
3. Have their eligibility determined.
4. Pay wages -- earn the tax credit.
5. If you have questions or need assistance, call l-800-237-37l0, extension 8-8244 or your nearest Employment Division local office. ☐

JSEC SEMINARS FOR EMPLOYERS

Local Job Service Employer Committees have scheduled the following seminars for employers during May, 1988:

DISCIPLINE AND DISCHARGE
Moose Lodge, Roseburg
May 3 . . . 7:30 AM to 12:00 Noon
Call Kathi Joy 672-2648 or
Cathy Ramsey 440-3344

HOW THE NEW IMMIGRATION LAW AFFECTS YOU
Hi Ho Restaurant, Clackamas
May 11 . . . 7:00 AM to 11:30 AM
Call Cathie Moravec or Jerry Howard, 657-2078

SELLING
Chumaree Comfortel, Salem
May 19 . . . 7:30 AM to 11:30 AM
Call Neil Puckett 378-4845 or
Joe Hall 472-5118

ENERGIZING YOUR WORKFORCE
Red Lion Motor Inn, Springfield
May 26 . . . 7:30 AM to 12:00 Noon
Call Phyllis Coggins 726-2518 or
Chuck Sherwood 726-3577

OREGON LABOR TRENDS

OREGON LABOR TRENDS is published monthly by the Research and Statistics Section of the Oregon Employment Division, W. E. Hunter, Administrator.

Send comments, questions, and address changes ATTN: Jeff Hannum, R&S-LMI or Phone (503) 378-2736 or toll free 1-800-237-3710 ext. 8-8657.

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DEPARTMENT OF HUMAN RESOURCES
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OREGON LABOR TRENDS

MAY 1988

APRIL INDICATORS

UNEMPLOYMENT RATE

Oregon (Seas. Adj.)

Apr.	1988	5.9
Mar.	1988	5.9
Apr.	1987	6.4

U.S. (Seas. Adj.)

Apr.	1988	5.4
Mar.	1988	5.6
Apr.	1987	6.3

WAGE AND SALARY EMPLOYMENT INDEX

Oregon 1977=100

Apr.	1988	120.9
Mar.	1988	120.8
Feb.	1988	120.1
Jan.	1988	119.7
Dec.	1987	118.8

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon

Mar.	1988	$10.73
Feb.	1988	$10.72
Mar.	1987	$10.53

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon

Mar.	1988	39.1
Feb.	1988	39.9
Mar.	1987	39.1

CONSUMER PRICE INDEX (CPI)

1982-84=100
ALL URBAN CONSUMERS

Portland-Vancouver

July-Dec. 1987	111.9
Yearly change	3.3%
Annual Average 1987	110.9
Yearly change	2.5%

U.S.

Apr. 1988	117.1
Yearly change	3.9%
Annual Average 1987	113.6
Yearly change	3.6%

Portland Hotline 221-4132

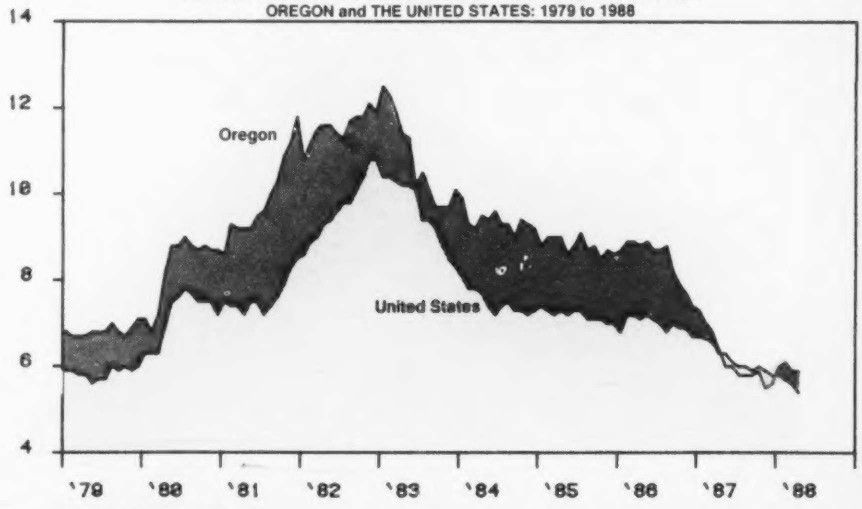
WHERE'S THE BEEF?

Fred Klatz

The news this month, at first sight, is hardly newsworthy; certainly, not the sort of crisis we're used to digesting with the T.V. news and the T.V. dinner. As you have no doubt read or heard elsewhere, the Nation's unemployment rate dropped two-tenths of a percentage point to 5.4% in April. You probably have been encouraged to begin jockeying and positioning yourself in the financial markets in anticipation of good times to come. The economy is showing strength in other areas besides the labor force. In fact, it's beginning to look so healthy that people are beginning to voice fears about inflation again. It seems that we bounce from one incipient crisis to another; almost like the "good news - bad news" jokes.

Oregon doesn't seem to be in a crisis; at least as far as the unemployment and employment situation is concerned. The seasonally adjusted unemployment rate is holding steady at 5.9%, nonfarm employment increased by over 10,000 between March and April, and the estimated number of unemployed decreased by almost 7,000. Along with these good signs, the seasonally adjusted nonfarm employment index rose slightly over the month (0.1) and showed a very strong gain over last year (4.9). So far, this has just been a re-hash of good news, and you're probably getting tired of it. However, this time there's an interesting twist.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and THE UNITED STATES: 1979 to 1988



*Civilian Labor Force Only

NOTE TO CPI USERS:

In 1988, CPIs for Portland and the U.S. shifted to a new reference base year (i.e. from 1967=100 to 1982-84=100). BLS chose the 1982-84 period to coincide with the time period of the updated CPIs expenditure weights, which are based upon the Consumer Expenditure Surveys for 1982, 1983, and 1984. Historical data for U.S. and Portland area indexes on the new reference base are available from the Employment Division, Research and Statistics (503) 378-2736.

Do you remember the television commercial that had as its main character a stocky little old lady who glowered into the camera and demanded to know: "Where's the beef?"? In one sense there is an element of this in the April unemployment estimate. In fact, I can visualize a stocky, little old lady glowering at me over the edge of my desk and demanding to know: "Where are the unemployed migrants?". And that's a very good question. According to stories in the media, several thousand people have come to Oregon to harvest agricultural products, but the crops are not ready to harvest yet. Shouldn't this drive up the unemployment rate? Let me answer this question by briefly outlining how the unemployment rate in Oregon is developed.

Oregon is part of a federal-state cooperative program which produces unemployment estimates at the state and sub-state level. The Employment Division makes these estimates on a contractual basis with the Bureau of Labor Statistics using standardized methodologies so that comparable data is produced by each state. In Oregon, estimates have two basic data sources: those developed within the state and those developed through the Census Bureau's Current Population Survey and given to the state.

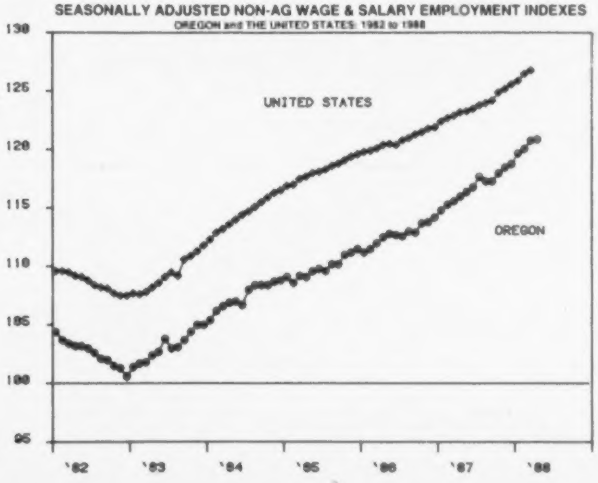
The primary source of unemployment data in Oregon is the unemployment insurance system. If a person files a new claim, reopens an old claim, is compensated for a week of unemployment, exhausts benefits, is disqualified from receiving unemployment payments, or files a claim against another state, this individual is factored into the unemployment estimating procedure. Also, people who work for the federal government or railroads (neither of which are part of the regular state unemployment insurance system) and become unemployed are figured into the unemployment estimates. However, this isn't enough.

Many unemployed people do not make contact with, or are not covered by, the unemployment insurance system. In addition, unemployment insurance rules and coverage varies from state to state. To remedy these problems, estimates of the employed and unemployed are taken from the Current Population Survey and used, in conjunction with the unemployment insurance system, on the basis of a moving average. The reason for using a moving average is that in a state the size of Oregon the survey sample is so small the monthly survey results cannot be published directly with any degree of reliability. This is the same survey upon which the national unemployment rate is based, and it does not rely upon an unemployed person claiming unemployment insurance benefits. Rather, survey personnel from the Bureau of the Census select a number of housing units. They then contact the residents in these houses on a regular basis to inquire about their labor force status. The people doing the survey are strictly interested in the labor force status of the occupants and do not attempt to determine citizenship status. (Those readers interested in a more thorough discussion of unemployment concepts and estimating methods may want to obtain a recent BLS publication entitled **HOW THE GOVERNMENT MEASURES UNEMPLOYMENT-REPORT 742**.)

So, where are the migrants? Why didn't the influx of migrant workers raise the unemployment rate? First of all, there's the matter of timing. Were the migrants here during the mid-April survey week? Let's assume that they were here in numbers large enough to make a difference. And secondly, would we have made contact with them? Since none of these workers are likely to file an unemployment insurance claim, they probably didn't have any impact on the count of unemployment insurance claimants. That means that if we did have contact with them it was through the Current Population Survey.

Since this survey is based on a sample of housing units, these people would have to occupy some of the houses in the sample in order to be counted. The Current Population Survey sample is rotated on a regular basis so that the same housing units aren't repeatedly interviewed over a long period of time. On the positive side of this problem is the fact that the Current Population Survey sample is relatively large in the Willamette Valley. This is where most of the population of the State resides, and where most of the migrants appear to be currently.

Even if a household containing migrant workers is contacted, however, those people without a job may not be counted as unemployed. An important distinction is drawn between people who are "unemployed" and people who are "not in the labor force." To be considered unemployed a person needs to be part of the labor force, or have an attachment to it. That means if you don't have a job, you're either actively looking



NEW LMI PUBLICATION

The latest occupational wage data can be found in the **Oregon Wage Information** publication. This publication will be available in June.

Wage rates for 340 occupations are listed. Over 70% of all Oregonians working for wages and salaries in the private and public sectors work in these occupations. The addition of industry wage data is a new feature. A brief analysis of wage trends in Oregon has also been provided.

Requests for the publication can be made by contacting Jan Ciranny, R&S at (503) 378-2899 or toll free 1-800-237-3710 ext. 8-2899. □

RESIDENT OREGON LABOR FORCE

	APR.[1] 1988	MAR.[2] 1988	CHANGE	% CHANGE	APR.[5] 1987
CIVILIAN LABOR FORCE[3]	1,427,600	1,420,200	7,400	0.5	1,372,400
UNEMPLOYMENT	87,400	94,300	-6,900	-7.3	91,300
PERCENT OF LABOR FORCE	6.1	6.6	XXX	XXX	6.7
SEASONALLY ADJUSTED PERCENT	5.9	5.9	XXX	XXX	6.4
TOTAL EMPLOYMENT[4]	1,340,200	1,325,900	14,300	1.1	1,281,100

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1987 and January 1988, data for 1988 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	APR.[1] 1988	MAR.[2] 1988	APR. 1987	CHANGE FROM MAR. 1988	CHANGE FROM APR. 1987
TOTAL[3]	1,124,000	1,113,900	1,078,800	10,100	45,200
WAGE & SALARY EMPLOYMENT INDEX[4]	120.9	120.8	116.0	XXX	XXX
TOTAL MANUFACTURING	206,900	204,500	197,000	2,400	9,900
DURABLE GOODS	152,700	150,800	143,700	1,900	9,000
LUMBER & WOOD PRODUCTS	67,500	66,700	65,400	800	2,100
LOGGING & SAWMILLS	34,200	33,700	32,900	500	1,300
VENEER & PLYWOOD	17,600	17,700	17,500	-100	100
MILLWORK & STRUCTURAL WOOD	10,500	10,100	9,900	400	600
MOBILE HOMES	1,400	1,400	1,300	0	100
OTHER WOOD PRODUCTS	3,800	3,800	3,800	0	0
FURNITURE AND FIXTURES	2,500	2,500	2,400	0	100
STONE, CLAY, GLASS & CONCRETE	3,500	3,400	3,300	100	200
PRIMARY METALS	10,000	10,100	9,000	-100	1,000
BLAST FURNACES, IRON & STEEL	6,000	6,000	5,400	0	600
NONFERROUS METALS	4,000	4,100	3,600	-100	400
FABRICATED METALS	10,700	10,400	9,900	300	800
FABRICATED STRUCTURAL METALS	4,700	4,400	4,400	300	300
OTHER FABRICATED METALS	6,000	6,000	5,500	0	500
MACHINERY	16,000	16,000	15,400	0	600
ELECTRICAL EQUIPMENT & SUPPLIES	14,600	14,300	13,200	300	1,400
TRANSPORTATION EQUIPMENT	12,400	11,900	10,300	500	2,100
INSTRUMENTS & RELATED PRODUCTS	12,100	12,200	12,000	-100	100
MISCELLANEOUS MANUFACTURING	3,400	3,300	2,800	100	600
NONDURABLE GOODS	54,200	53,700	53,300	500	900
FOOD & KINDRED PRODUCTS	20,100	19,900	20,800	200	-700
CANNING & PRESERVING	9,700	9,300	10,200	400	-500
OTHER FOOD PRODUCTS	10,400	10,600	10,600	-200	-200
TEXTILE MILL PRODUCTS	1,900	1,800	1,800	100	100
APPAREL	2,800	2,700	2,500	100	300
PAPER & ALLIED PRODUCTS	9,100	9,100	9,200	0	-100
PRINTING & PUBLISHING	13,400	13,300	12,400	100	1,000
CHEMICALS & ALLIED PRODUCTS	2,100	2,100	2,100	0	0
PETROLEUM REFINING	400	400	400	0	0
RUBBER & PLASTIC PRODUCTS	4,000	4,000	3,700	0	300
LEATHER PRODUCTS	400	400	400	0	0
TOTAL NONMANUFACTURING	917,100	909,400	881,800	7,700	35,300
MINING & QUARRYING	1,300	1,300	1,400	0	-100
CONSTRUCTION	36,400	33,700	32,100	2,700	4,300
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	58,500	58,700	57,600	-200	900
TRANSPORTATION	37,100	37,400	36,400	-300	700
RAILROAD	3,900	3,900	4,000	0	-100
TRUCKING & WAREHOUSING	21,000	21,300	20,500	-300	500
OTHER TRANSPORTATION	12,200	12,200	11,900	0	300
COMMUNICATIONS	12,600	12,500	12,400	100	200
UTILITIES	8,800	8,800	8,800	0	0
TRADE	284,200	281,100	269,100	3,100	15,100
WHOLESALE TRADE	72,400	71,900	67,400	500	5,000
DURABLE GOODS	42,700	42,300	39,600	400	3,100
NONDURABLE GOODS	29,700	29,600	27,800	100	1,900
RETAIL TRADE	211,800	209,200	201,700	2,600	10,100
GENERAL MERCHANDISE	27,100	26,900	25,600	200	1,500
FOOD STORES	34,900	34,400	32,600	500	2,300
AUTO DEALERS & SERVICE STATIONS	26,800	26,300	26,000	500	800
OTHER RETAIL TRADE	123,000	121,600	117,500	1,400	5,500
FINANCE, INSURANCE, & REAL ESTATE	73,200	72,700	71,300	500	1,900
BANKING & CREDIT AGENCIES	24,200	24,000	23,800	200	400
OTHER FINANCE, INSURANCE, & REAL ESTATE	49,000	48,700	47,500	300	1,500
SERVICES	251,500	249,200	242,100	2,300	9,400
HOTELS & PERSONAL SERVICES	26,900	26,000	25,800	900	1,100
HEALTH SERVICES	77,400	77,100	74,000	300	3,400
OTHER SERVICES	147,200	146,100	142,300	1,100	4,900
GOVERNMENT	212,000	212,700	208,200	-700	3,800
FEDERAL GOVERNMENT	29,500	29,100	29,700	400	-200
STATE GOVERNMENT	59,200	59,200	57,700	0	1,500
EDUCATION	25,300	25,700	25,000	-400	300
OTHER STATE	33,900	33,500	32,700	400	1,200
LOCAL GOVERNMENT	123,300	124,400	120,800	-1,100	2,500
EDUCATION	79,100	80,000	77,600	-900	1,500
OTHER LOCAL	44,200	44,400	43,200	-200	1,000
LABOR – MANAGEMENT DISPUTES	100	200	1,400	-100	-1,300

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[1] *Preliminary*

[2] *Revised*

[3] *Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.*

[4] *Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's Annual Average Employment (774,300) and that of 1977 (936,900).*

for one, waiting to be recalled from a layoff, or have one definitely lined up. In fact, the Current Population Survey includes a question concerning job search efforts for the most recent four weeks and another question concerning a definite job start within 30 days. In other words, a person without a job is not necessarily unemployed. If you stop and think about it, this isn't as silly as it sounds. For example, a retired person who doesn't want to work anymore isn't considered unemployed. Other examples would be a student going to school full-time, or someone who is keeping house and doesn't want to work outside the home.

When applied to the migrants who have recently come to Oregon this is more than a bureaucratic nicety. Rather, it is the definition which excludes people from the labor force if they are not looking for work, or are waiting to start a job without a definite work agreement. And if people are not attached to the labor force, they are not considered unemployed and will not raise the unemployment rate.

Ironically, while the migrant workers who are waiting for jobs to begin and who are not currently seeking work don't affect the labor force statistics, those who are already working have a beneficial impact on the unemployment rate, because they are counted as employed.

After reading this article a person might be inclined to re-title it "Sometimes a Fine Bureaucratic Madness", but the selection of definitions and criteria are very important and to a large degree determine how we perceive the health of the economy. The reason for selecting criteria such as the ones mentioned above is to base the survey results on what people are actually doing rather than what they would like to do. However, once a definition is in place it begins to leave somebody out. This is a problem which is highlighted by the current situation with migrant workers. The present set of definitions used nationally in measuring the labor force, however, has been reviewed several times over the years, and is still found to be workable. ☐

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Molatores, Klamath Falls
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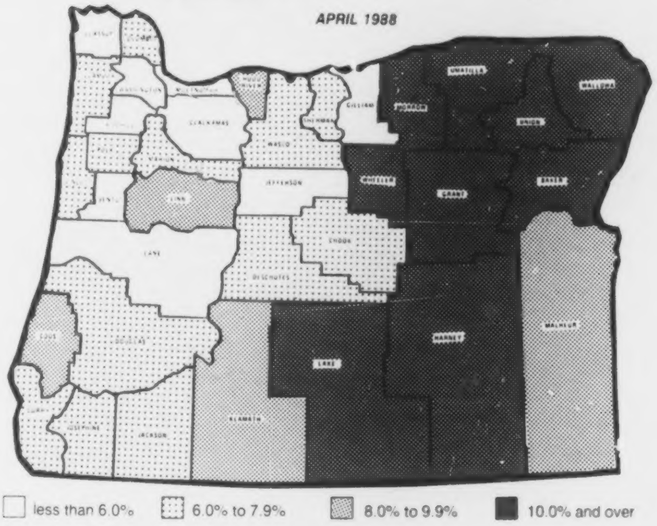
Call Bob Watkins, ph. 296-5435

UNEMPLOYMENT RATES BY AREA

APRIL 1988



MIRACLE A MIXED BLESSING

by Arthur Ayre

Considering Oregon's current drive toward economic development, it is instructive to examine the economic recovery in New England. People talk about the "Massachusetts Miracle" and wonder at New Hampshire's incredibly low unemployment rate (2.5% in 1987). From the perspective of manufacturing hours and earnings, neither state stands out from the crowd. Indeed, the miracle appears to be that New England's economic growth, soaring real estate values, and rock bottom unemployment rates have had such a small impact on manufacturing hours and earnings statistics.

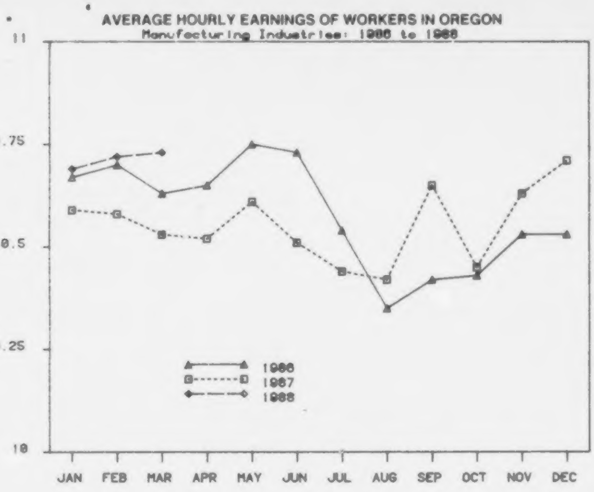
The most recent published averages are for January 1988. Manufacturing production workers in Massachusetts earned $9.98 an hour and worked 42.0 hours per week. Those in New Hampshire earned $9.50 and worked 41.3 hours. Those in Oregon earned $10.71 and worked 39.9 hours. By multiplying average hourly earnings by average weekly hours worked, we find that this category of workers earned $419.16 per week in Massachusetts, $392.35 in New Hampshire, and $427.33 in Oregon.

Several explanations are in order. First, there are substate pockets in New England (and in Oregon) where earnings are higher than the state average. In Nashua, NH, manufacturing production workers earned $11.67 per hour and $476.14 per week in January. In Boston, they earned $10.80 and $449.28. In Portland, they earned $10.78 and $434.43.

Second, these are January numbers and may be somewhat abnormal due to seasonal variations. Third, there are differences in the types of manufacturing taking place in each state. Fourth, there are many other non-production employees and non-manufacturing industries in New England which may be earning much more than their Oregon counterparts.

Having lived in New England for twelve years (prior to its recovery), I recently returned on vacation and observed some changes that may remind Oregonians of this state during the 1970s. Despite the apparently moderate level of manufacturing production wages in the New England growth areas, the "Massachusetts Miracle" has had the effect of causing companies and their employees to locate away from the congestion and inflated real estate prices in the Boston area. Boston area residents complain about long commutes in stop-and-go traffic. Nashua residents say there aren't any houses available for less than $100,000. Companies are having difficulty finding qualified employees locally. Soaring southern New Hampshire real estate taxes are endangering family farms and those not in the higher income brackets.

According to one New England businessman, the same economic and congestive strangulation which has overcome California's Silicon Valley is starting to appear in the Boston and southern New Hampshire areas. This is the dark side of New England's brilliant recovery, and it is not reflected in the widely-publicized statistics. ☐



AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Mar.[2] 1988	Feb.[3] 1988	Mar. 1987	Mar.[2] 1988	Feb.[3] 1988	Mar. 1987	Mar.[2] 1988	Feb.[3] 1988	Mar. 1987
TOTAL MANUFACTURING[4]	$419.54	$427.73	$411.72	39.1	39.9	39.1	$10.73	$10.72	$10.53
Durable Goods	421.97	434.70	414.87	39.4	40.4	39.7	10.71	10.76	10.45
Lumber & Wood Products	418.95	443.90	415.94	38.9	40.8	39.5	10.77	10.88	10.53
Logging & Sawmills	442.37	471.55	433.78	38.3	40.2	38.8	11.55	11.73	11.18
Veneer & Plywood	421.86	448.80	415.09	39.5	42.3	40.3	10.68	10.61	10.30
Millwork & Structural	350.64	373.43	372.19	39.8	41.4	40.9	8.81	9.02	9.10
Mobile Homes	320.25	286.50	299.40	36.6	32.3	35.1	8.75	8.87	8.53
Other Wood Products	408.83	424.13	420.73	39.5	40.9	40.3	10.35	10.37	10.44
Furniture & Fixtures	298.08	301.80	320.49	36.0	36.1	38.8	8.28	8.36	8.26
Primary Metals	504.57	510.50	504.19	41.7	42.4	41.6	12.10	12.04	12.12
Fabricated Metals	385.70	389.64	375.71	39.6	39.8	39.8	9.74	9.79	9.44
Machinery (Ex Electrical)	448.84	456.78	421.13	40.4	41.3	38.6	11.11	11.06	10.91
Nondurable Goods	409.96	406.27	403.50	38.1	38.4	37.5	10.76	10.58	10.76
Food & Kindred Products	326.14	323.60	331.00	35.8	36.4	35.9	9.11	8.89	9.22
Canning & Preserving	275.10	276.26	284.31	35.0	35.6	35.1	7.86	7.76	8.10
Other Food Products	382.78	381.21	387.45	36.7	37.3	36.9	10.43	10.22	10.50
Textile Mill Products	247.05	257.47	243.08	36.6	38.2	38.1	6.75	6.74	6.38
Apparel	229.12	234.70	222.31	35.8	38.1	37.3	6.40	6.16	5.96
Paper & Allied Products	632.28	623.24	629.25	43.1	42.6	41.7	14.67	14.63	15.09
Printing & Publishing	454.31	446.85	429.95	37.3	37.3	36.1	12.18	11.98	11.91
Construction[4]	480.93	474.35	456.21	34.5	34.2	33.3	13.94	13.87	13.70
Communications & Utilities[5]	509.21	539.06	509.12	39.2	40.5	39.9	12.99	13.31	12.76
Trade[5]	286.43	293.76	282.38	33.5	34.0	33.3	8.55	8.64	8.48
Wholesale Trade	380.25	400.28	377.93	37.5	38.9	36.2	10.14	10.29	10.44
Retail Trade	240.16	240.66.	236.38	31.6	31.5	31.9	7.60	7.64	7.41
Banking & Insurance[5]	319.51	343.93	308.31	35.9	38.6	36.4	8.90	8.91	8.47
State & Local Government	362.47	366.04	347.41						

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[1] *Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.*

[2] *Preliminary*

[3] *Revised*

[4] *Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.*

[5] *Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.*

PER CAPITA PERSONAL INCOME, 1987

Duane Ackerson

...For Paul Revere I'll bite
I hear his foot's all right.
Of course it all depends
if it rained last night.

Frank Loesser, "Fugue for Tinhorns,"
GUYS & DOLLS

At the beginning of the durable musical ***GUYS & DOLLS***, three racetrack types sing a pop fugue, a three part song in which each advocates his own horse in an upcoming race. For those whose fondness for ranking things is not totally expended on baseball cards and sports events, the U.S. Department of Commerce's Bureau of Economic Analysis recently released 1987 per capita personal income statistics. The fifty states are ranked in terms of per capita income. For those awaiting the results, clutching their tickets in aggravated suspense: Oregon moved from number 31 to number 30 in the race.

If the U.S. itself were running with the rest of the pack, it would come in, at $15,340, a cool nose ahead of Michigan ($15,330), Number 18, and a rooster's crow behind Rhode Island, Number 17 at $15,355. The states as a whole found the track muddier than last year's; 1987's per capita income moved ahead at a slower pace (4.8%) than it did in 1986 (5.2%). Oregon, with a per capita increase of 4.2%, was behind the U.S. average, and among thirty-seven states in all whose rates fell.

Per capita personal income is defined as the annual total personal income for residents of an area divided by its resident population as of July 1. We might look at personal income as if all the money at the track were riding on one winning horse; everyone gets to split the pot evenly to arrive at per capita personal income. (This explanation is beginning to sound a little like the plot of ***THE TREASURE OF SIERRA MADRE***, isn't it?) According to the U.S. Department of Commerce, Bureau of the Census, which provides the people to divide up the loot, Oregon's July 1, 1987 population was 2,724,000. This must have been a bad day for going to the track. Why? Because 34,000 more Oregonians stayed at home to be counted than by the reckoning of the PSU Center for Population Research and Census, which recently estimated Oregon's July 1, 1987 population to be 2,690,000, give or take a sasquatch or two. If total personal income (known in economic parlance as the "pot of gold") is divided by the PSU figure, Oregon moves up to 28th place in the sweepstakes, and everyone in Oregon gets $175 more, since per capita income rises from $13,887 to $14,062.

One might take the view that households, not individuals, spend money. Why else were family restaurants and pizza parlors invented? In an attempt to further confuse matters, the Commerce Department has also recently released numbers on average population per household for the various states. The accompanying table shows the states ranked by per capita income and sorted by "average household income," which the author derives by multiplying per capita income by average population per household. By this measurement, Oregon loses a bit more ground; its average household population for 1987 of 2.48, multiplied by the per capita income for that year of $13,887, yields an average household income of $34,440, leaving it in the dust as Number 35 in the Nation.

Oregon's per capita income, in nominal terms, has increased over time. In fact, it more than doubled between 1975 and 1987, climbing from $6,053 to $13,887. However, in 1979, Oregon's per capita income was 102% of the national average (U.S.: $9,033; Oregon: $9,174), while, by 1987, Oregon's per capita income, at $13,887, was 91% of the national per capita income of $15,340. In all, over the period 1975-87, while Oregon per capita income rose 129%, U.S. per capita income grew by 153%. Oregon residents are losing spending power when compared with the country as a whole.

As an additional test of the last statement, we can apply the Consumer Price Index for All Urban Consumers to these per capita figures to adjust for inflation between 1975 and 1987. Using the Portland CPI-U to adjust the Oregon data, we see that the State's real per capita personal income in terms of 1987 dollars rose 10.6% ($12,559 to $13,887) during this twelve year period. Adjusting national data by the change in the U.S. CPI-U, however, reveals that real per capita income in the Nation increased nearly twice as fast, or 19.6% ($12,824 to $15,340).

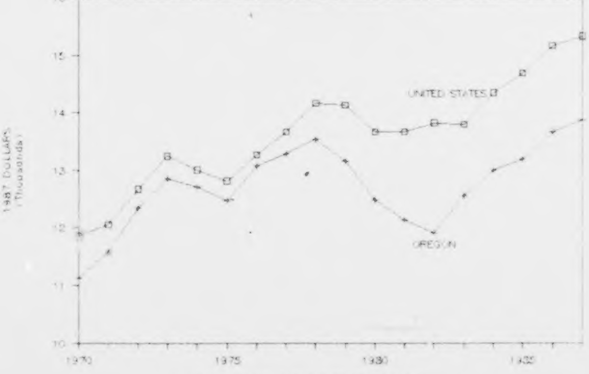
Though the weather in the Northwest has been dryer in recent years, the track has gotten muddier, and Oregon has slipped considerably since 1979. It's interesting to note that if per capita rankings for 1979 and 1987 are compared, only Wyoming, thirty laps behind where it was eight years before, has fallen behind Oregon, trailing itself by twelve laps. In fact, much of the west is trailing the pack: of the "top" ten states in terms of lost rank, seven are western states. Of the ten states sharing the winner's cup for most improved ranking, nine are eastern and one, Georgia, is a Gulf coast state.

However, perhaps such setbacks should be regarded as opportunities. Continually down on their luck, the denizens of Times Square in Frank Loesser's masterpiece remain ever optimistic. Following the lead of the racetrack touts in the musical, we might decide that in life, as in television, ratings change, and declare in chorus:

Can do, can do,
This guy says the horse can do.
If he says the horse can do,
Can do, can do.

"Fugue for Tinhorns"
GUYS & DOLLS □

REAL PER CAPITA PERSONAL INCOME
U.S. and OREGON (CPI ADJUSTED*)



* ADJ. BY U.S. CPI-U & PORTLAND CPI-U

U.S. STATES RANKED BY PER CAPITA PERSONAL INCOME & SORTED BY HOUSEHOLD INCOME, 1987

RANK	AREA	PER CAPITA INCOME($)	% CHANGE 1986-87	% OF U.S. PER CAPITA	AVERAGE POPULATION PER HOUSEHOLD	AVERAGE HOUSEHOLD INCOME
	United States	15,340	4.8	100.0%	2.64	40,498
1.	Connecticut	20,980	6.9	136.8%	2.62	54,968
2.	New Jersey	20,067	6.4	130.8%	2.68	53,780
5.	Alaska	17,886	-0.7	116.6%	2.89	51,691
3.	Massachusetts	18,926	7.2	123.4%	2.58	48,829
6.	Maryland	17,722	5.1	115.5%	2.68	47,495
7.	California	17,661	4.7	115.1%	2.68	47,331
4.	New York	18,055	6.5	117.7%	2.58	46,582
16.	Hawaii	15,366	5.1	100.2%	3.02	46,405
8.	New Hampshire	17,133	5.0	111.7%	2.61	44,717
9.	Illinois	16,347	5.2	106.6%	2.65	43,320
10.	Virginia	16,322	5.6	106.4%	2.63	42,927
11.	Delaware	16,238	5.1	105.9%	2.64	42,868
18.	Michigan	15,330	3.5	99.9%	2.68	41,084
14.	Minnesota	15,783	5.3	102.9%	2.60	41,036
13.	Colorado	15,862	4.1	103.4%	2.56	40,607
12.	Nevada	15,958	3.8	104.0%	2.49	39,735
17.	Rhode Island	15,355	5.4	100.1%	2.57	39,462
20.	Pennsylvania	14,997	5.3	97.8%	2.62	39,292
15.	Washington	15,444	3.1	100.7%	2.51	38,764
22.	Wisconsin	14,659	4.8	95.6%	2.62	38,407
21.	Kansas	14,952	3.2	97.5%	2.54	37,978
23.	Ohio	14,543	4.6	94.8%	2.61	37,957
27.	Georgia	14,098	4.7	91.9%	2.69	37,924
32.	Texas	13,764	2.1	89.7%	2.75	37,851
29.	Arizona	14,030	2.9	91.5%	2.68	37,600
19.	Florida	15,241	4.3	99.4%	2.46	37,493
24.	Missouri	14,537	4.4	94.8%	2.56	37,215
25.	Nebraska	14,341	4.5	93.5%	2.54	36,426
31.	Indiana	13,834	5.3	90.2%	2.63	36,383
28.	Vermont	14,061	5.4	91.7%	2.58	36,277
26.	Iowa	14,191	6.1	92.5%	2.55	36,187
48.	Utah	11,246	2.3	73.3%	3.19	35,875
33.	Maine	13,720	7.3	89.4%	2.57	35,260
36.	Wyoming	12,759	-0.1	83.2%	2.72	34,704
30.	Oregon	13,887	4.2	90.5%	2.48	34,440
35.	North Dakota	13,061	4.9	85.1%	2.62	34,220
34.	North Carolina	13,155	5.8	85.8%	2.60	34,203
37.	Tennessee	12,738	6.1	83.0%	2.61	33,246
42.	South Carolina	11,858	5.2	77.3%	2.77	32,847
39.	South Dakota	12,511	5.9	81.6%	2.59	32,403
43.	Idaho	11,820	5.3	77.1%	2.74	32,387
45.	New Mexico	11,673	2.1	76.1%	2.77	32,334
38.	Oklahoma	12,520	1.6	81.6%	2.55	31,926
40.	Montana	12,255	3.5	79.9%	2.60	31,863
44.	Alabama	11,780	4.0	76.8%	2.69	31,688
41.	Kentucky	11,950	5.4	77.9%	2.65	31,668
46.	Louisiana	11,362	1.5	74.1%	2.78	31,586
47.	Arkansas	11,343	2.7	73.9%	2.61	29,605
49.	West Virginia	10,959	4.1	71.4%	2.63	28,822
50.	Mississippi	10,204	5.2	66.5%	2.81	28,673
	Dist. of Columbia	20,303	6.5	132.4%	2.35	47,712

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis

EMPLOYERS' CORNER -EXPROPRIATION OF FUTA

Dorothy Monnier

(Editor's Note: This article is a "Position Paper" of the Oregon State Job Service Employers' Committee.)

Do you know what is happening to your Federal Unemployment Tax Act (FUTA) taxes?

THE SYSTEM

Federal Unemployment Tax Act (FUTA) funds are collected by IRS and distributed to each state by the federal government. The FUTA tax is 0.8% on a taxable wage base of $7,000, or up to $56 per employee per year. This includes a 0.6% ($42) permanent tax and a 0.2% ($14) temporary tax. These monies pay for the administration of all the Employment Security Agencies nationwide.

The funds to pay unemployment insurance benefits to unemployed workers come from a state tax collected by the State Employment Division and can be used only to pay benefits. Thus, employers pay two separate payroll taxes: a federal tax (FUTA) to staff and operate the system and a state tax (UI) to generate revenues to pay benefits to eligible claimants. The two revenue sources have two things in common: BOTH ARE GENERATED BY A TAX ON EMPLOYERS, AND BOTH RESIDE IN THE FEDERAL UNIFIED BUDGET.

THE PROBLEM

The federal government is not appropriating all of the FUTA administrative funds to the states for administration of the Employment Service (ES) and Unemployment Insurance (UI). Surpluses of dedicated funds are being impounded by Congress to create the illusion of a lower federal deficit than actually exists.

These paper offsets contribute nothing to reduce the actual federal deficit, and at the same time deny the Employment Security Agencies money to maintain minimum services.

Congress first enacted the temporary 0.2% increase in FUTA effective January 1, 1977 for the sole purpose of paying off an $8 billion extended benefit debt incurred in the mid-70s. Congress promised employers that once the debt was paid, the tax would expire. This promise was written into law. The debt was paid off May 31, 1987 which would cause the law to expire January 1, 1988.

However, in December of 1987 this "temporary" tax was extended for three years (1988-1991). The cost to Oregon employers alone will be over $40 million. Not only was the unnecessary temporary tax extended, but the ceilings on the FUTA accounts were raised.

This effectively impounds the dedicated, employer-paid FUTA funds for the sole purpose of obscuring the true size of the FEDERAL DEFICIT. It allows Congress to use these non-allocated funds to offset the budget impact of spending in other programs which lack revenue.

THE SOLUTION

As long as the UI trust fund and FUTA funds are included in the Federal Unified Budget, they will tempt Congress to balance the budget with mirrors. By residing in the Federal Unified Budget, these funds are first of all subject to the Gramm-Rudman-Hollings Reduction Act. However, these unappropriated, dedicated funds cannot be spent for other programs and cannot reduce the deficit. They simply build an unappropriated surplus.

Because these surpluses are not being returned to the states, many employers nationwide are being DOUBLE TAXED by implementation of State Administrative taxes. Without these state taxes, offices would be closed and services to employers, job applicants, and unemployment insurance claimants would be curtailed. Oregon diverted over $10 million from the UI trust fund to maintain services in the 1987-89 biennium. The gap between projected federal allocations and the needs of the Oregon Employment Division continues to grow.

The Employment Division funding deficit continues to escalate because of the federal shortfall with a projected gap again in the 1989-91 biennium. This will continue the need for diversion from the UI trust fund to maintain adequate services.

As long as the FUTA funds remain in the Federal Unified Budget, Congress has the means to camouflage a high level of deficit spending. Is it really fair for employers to be taxed to pay for a national deficit problem and then double taxed to fund the State Employment Security System for which those funds were originally collected?

THE RESOLUTION

1.RELEASE adequate FUTA monies to maintain the Employment Security System at the 30,000 staffing level nationwide, and

2. REMOVE FUTA from the Federal Unified budget.

You should be concerned . . . . you should become an active member of your local Job Service Employers' Committee (JSEC), so that you will be informed about what is happening to your tax dollars. ☐

OREGON LABOR TRENDS

OREGON LABOR TRENDS is published monthly by the Research and Statistics Section of the Oregon Employment Division, W. E. Hunter, Administrator.

Send comments, questions, and address changes ATTN: Jeff Hannum, R&S-LMI or Phone (503) 378-2736 or toll free 1-800-237-3710 ext. 8-8657.

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DEPARTMENT OF HUMAN RESOURCES
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SALEM, OREGON 97311

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OREGON LABOR TRENDS

JUNE 1988

MAY INDICATORS

UNEMPLOYMENT RATE

Oregon		*(Seas. Adj)*
May	1988	6.2
Apr.	1988	5.9
May	1987	6.0
U.S.		
May	1988	5.6
Apr.	1988	5.4
May	1987	6.3

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	*1977=100*	
May	1988	120.3
Apr.	1988	120.6
Mar.	1988	120.8
Feb.	1988	120.1
Jan.	1988	119.7

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon		
Apr.	1988	$10.74
Mar.	1988	$10.69
Apr.	1987	$10.52

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon		
Apr.	1988	39.9
Mar	1988	39.1
Apr.	1987	39.4

CONSUMER PRICE INDEX (CPI)
1982-84=100
ALL URBAN CONSUMERS

Portland-Vancouver	
July-Dec. 1987	119.9
Yearly change	3.3%
Annual Average 1987	110.9
Yearly change	2.5%
U.S.	
May 1988	117.5
Yearly change	3.9%
Annual Average 1987	113.6
Yearly change	3.6%

Portland Hotline 221-4132

DECLINE OF MANUFACTURING - UPDATE

Graham Slater

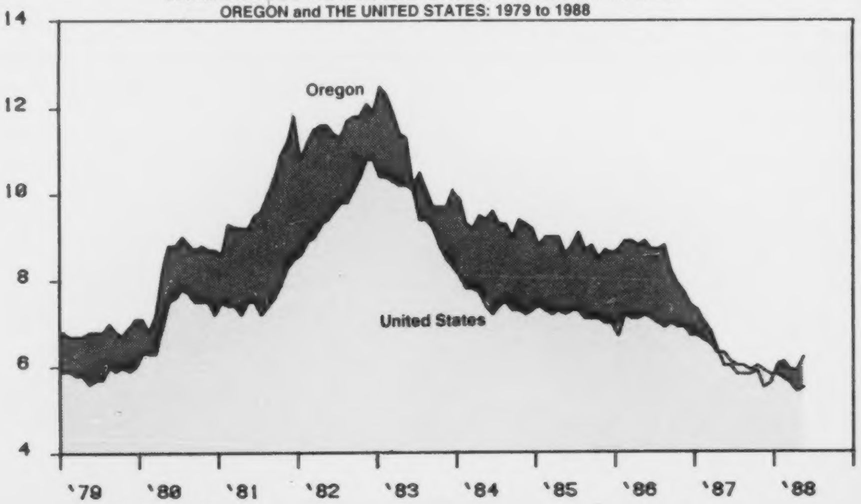
"Everyone concerned with Oregon's future should apply themselves not only to preserving and aiding our established firms and industries, but also to creating an environment which will attract firms in new and growing manufacturing industries." **(Oregon Labor Trends**, March 1986)

Two years ago, I wrote an article for this publication entitled, "The Decline Of Manufacturing - What's In The Future?". The gist of that article was that even though nonmanufacturing employment had begun to show strong signs of recovery, the manufacturing sector was demonstrating little momentum. "In the last 12 months, over 25,000 payroll jobs have been added to Oregon's economy. In that same period, manufacturing employment has fallen by 200." This was the almost desperate situation facing the state at that time.

Fortunately, 1987 was different. Oregon's economy, as measured in jobs, grew at a 3.4% rate, with the growth proportionately split between the manufacturing and nonmanufacturing sectors. Follow that with an incredibly strong start to 1988, and this appears to be a good time to revisit the "decline in manufacturing" issue. But first, let's briefly look at the May data. (If the following analysis of May statistics is insufficient for your needs, feel free to contact Graham Slater at (503) 378-2477.)

May, on the surface, was a disappointing month. The seasonally adjusted unemployment rate rose by three-tenths of a percentage point, reaching 6.2%, the highest level in more than a year. The nonagricultural wage & salary employment index was revised downward for April, and dropped further in May. But caution is needed before jumping to recessionary conclusions. First, and most obvious, it is impossible to make sweeping economic statements without having several months (at least three) of consistent trends in the economic indicators. Second, the reason for the May movements has more to do with strong performance in earlier months than with particularly weak performance in May. An analogy will make this point clear.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and THE UNITED STATES: 1979 to 1988



*Civilian Labor Force Only

"Joe is an Oregonian. He loves to hike, swim, and camp. Every year he spends his winter longing for May when he knows the rain will stop, the sun will return, and he will head for the lakes. How sweet that first trip is. After so many months of expectation, he finally arrives at his campsite, full of appreciation for the badly-missed sun and grateful for the absence of rain.

This year, Joe's activity changed a little. Good weather was present during much of the winter. Joe actually went camping a few times in February and April. In fact, by the time May rolled around, the initial excitement had worn off, and weekend camping had become the norm. The usual expectations for May had already been met and exceeded in earlier months. It wasn't that May was a bad month. It was just that Joe's high expectations (the excitement of the first camp) proved unattainable, simply because they had already been met back in February."

So it was with Oregon's economy. We have certain expectations (the product of seasonal adjustment) for the month of May. For example, we expect to add 1,100 logging jobs because weather is improving, logs are becoming more accessible, and history has shown that this is a reasonable expectation. This year, the Oregon economy added more jobs than thought possible during much of the winter. In fact, by the time May rolled around, the initial excitement had worn off, and constant job growth had become the norm. The usual expectations for May had already been met and exceeded in earlier months. In the case of logging, many of the 1,100 jobs had been added thoughout the winter, leaving an increase of only 300 for May. Thus, attempts at predicting seasonal expectations failed to accurately reflect the economy because, in a sense, the seasonality changed. It wasn't that May was a bad month. It was just that our high expectations proved unattainable, simply because they had already been met earlier in the year.

It is important to keep the increasing unemployment rate in perspective. Nonfarm payroll employment reached a new record level of 1,131,500 in May. Oregon's economy has created almost 40,000 new jobs in the past twelve months. After adjusting for seasonality, almost 15,000 new jobs have been created in the first five months of 1988. At worst, May was a month of adjustment. It is not likely that it represented the end of economic growth.

Nonmanufacturing industries generally performed close to expectations. Construction was the major exception; another "victim" of adding jobs much earlier than expected. The 1,400 new construction jobs represent only two-thirds of the projected May increase. Trade and services generally performed as expected, with tourist-related segments at the forefront. Eating & drinking places (79,900) and hotels & other lodging places (16,300) both reached record employment levels in May.

And so to manufacturing. Industry activity in May shows the manufacturing sector at its highest May level (207,600) since 1979. (One year ago we were talking about 200,000 being a reasonable goal by the end of 1988!) Unfortunately, this decade-high level does not necessarily translate into undisputed economic strength in the sector. Two economists, Mr. Jolly and Dr. Doom, were recently overheard in conversation:

Mr. Jolly. . ."Our economy produced nearly 40,000 new jobs last year."

Dr. Doom. . ."I bet they were all low paying jobs in nonmanufacturing. You've got to have manufacturing jobs to really get the economy moving."

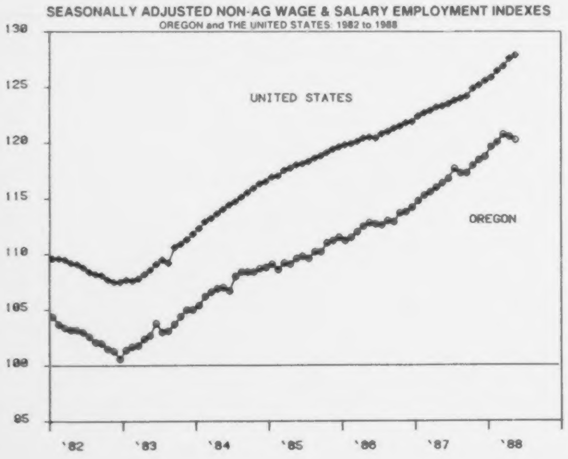
Mr. Jolly. . ."Actually, they were pretty evenly split - both sectors grew at about the same pace."

Dr. Doom. . ."Oh. But the pay levels in manufacturing have gone way down. You can't build an economy on that."

Dr. Doom seems to like generalizations, landing himself unavoidably in controversy. Not all nonmanufacturing jobs are low-pay. Not all manufacturing industries have suffered pay cuts. But he has some valid concerns. The perception of economic well-being in Oregon depends a great deal on personal philosophy and point-of-view. This article simply offers some facts pertaining to the manufacturing sector so that readers can reach their own conclusions.

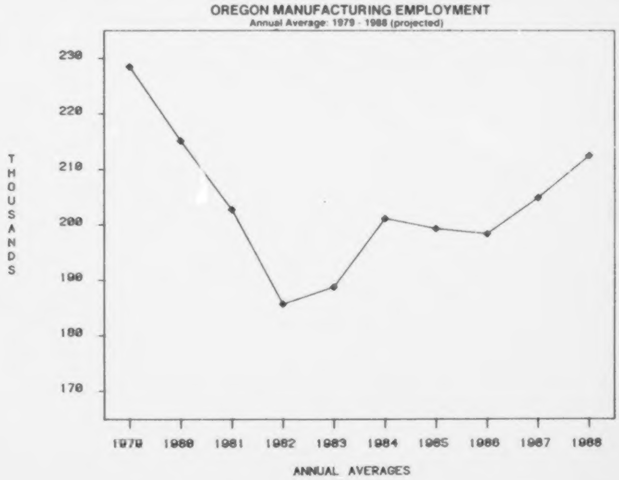
Looking purely at the number of jobs, the manufacturing sector looks stronger now than it has for years. Employment grew at a 3.3% rate in 1987 and is expected to maintain a similar trend in 1988. While 1983 and 1984 showed positive movement (+1.7% and +6.5% respectively), all other years since 1980 have showed manufacturing employment in decline. Indeed, both 1985 and 1986 (the time of the last article on this subject) recorded strong growth in nonmanufacturing but a drop in manufacturing employment.

The size and diversity of improvement in the last year and a half has been a surprise to most analysts. Lumber & wood products employment grew by nearly 3,000 in 1987 to reach 67,400, an 11,800 increase over the recession low. Millwork & structural wood broke through the 10,000 employee barrier and now (May 1988) stands at 10,800 -



SEASONALLY ADJUSTED NON-AG WAGE & SALARY EMPLOYMENT INDEXES

OREGON and THE UNITED STATES: 1982 to 1988



OREGON MANUFACTURING EMPLOYMENT

Annual Average: 1979 - 1988 (projected)

its highest level ever. Logging employment was ravaged by forest fires in 1987 but has had a strong winter and now stands at 12,100, the highest May level since 1979.

Several other industries performed exceptionally in May. Stone, clay, glass, & concrete products added 200 jobs to reach its best May level since 1981. Electronic equipment & supplies was the only high-tech industry to grow, equalling an all-time high of 14,700, recorded in November 1984. Blast furnaces, iron & steel (6,000), meat products (2,300), textiles (1,900), and apparel (2,900) all reached their highest May levels in several years.

Printing & publishing (13,500) and rubber & plastics (4,100) both stand at their highest levels ever. Miscellaneous manufacturing (a catch-all category of all industries not specifically classified in their own right) has also grown, currently standing at 3,300, the highest May level on record. (This category is dominated in Oregon by sporting goods, games, toys, and signs & advertising displays.)

Why list all these industries and statistics? Simply to emphasize the fact that there is growth in the manufacturing sector, and that the growth is both strong and diverse. There aren't too many negatives on the horizon in terms of employment, either. Continuing layoffs in high-tech industries is a given, at least over the next month or so. And the specter of labor disputes (already haunting lumber & wood products and paper & allied products) cannot be ignored. But for every layoff or closure on the horizon, there appears to be more than one opening or expansion. Thus, the outlook is good.

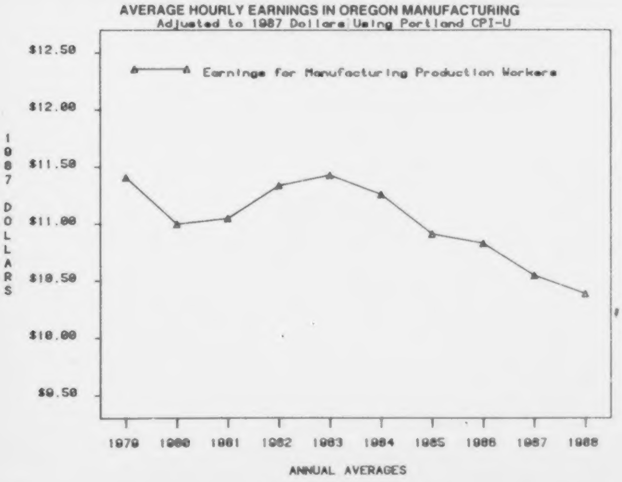
Another positive note in this analysis can be found by comparing Oregon's manufacturing growth with that of the entire Nation. While Oregon's sector grew by 3.3% last year, the U.S. managed only a 0.6% gain. In fact, Oregon outperformed the U.S. in this category in four of the past five years. In addition, while the role of manufacturing has played a declining role in Oregon's employment picture, it has not dropped as fast or as much as nationally. Thus it would be reasonable to state that, in terms of employment, Oregon's manufacturing sector is far stronger now than at any time since 1979.

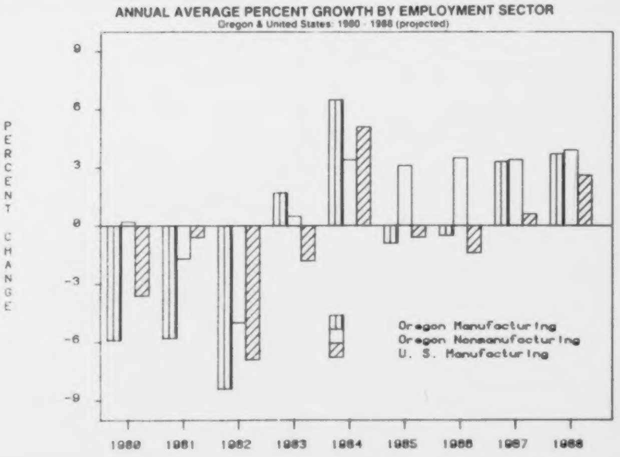
Unfortunately, there is another side to the story. This side relates to the earnings from, rather than the simple existence of, a job. Hours & earnings estimates are computed each month for all production workers in the manufacturing sector. When these figures are adjusted for inflation, using the Portland CPI-U index, a disturbing trend becomes apparent. In 1987 dollars, the average manufacturing worker in the state has taken a $25 weekly pay cut since 1979. Average hourly earnings are down almost $1. Of the ten specific industries for which hourly earnings data are published, six have recorded declines since 1979. The average lumber worker has lost almost $2 per hour in those years.

Two valid criticisms of the hours & earnings data quoted above is that they reflect only the income of production (i.e. nonsupervisory) workers, and also that they ignore the growing impact of special bonuses such as lump sums and profit-sharing. When both these criticisms are overcome (by using data from unemployment insurance records which includes all income for all employees), the average weekly wage of Oregon's manufacturing employees has basically maintained parity with inflation adjustments. Even so, the share of total payroll income which comes from the manufacturing sector has fallen from 28.2% in 1979 to 24.5% last year.

Before bringing this article to a close, let's take a look at the future. Most projections show manufacturing employment growing strongly in 1988, slowing in 1989, and declining slightly in 1990 as a result of the next recession. While employment is plotted to rise and fall over the next few years, there is even less certainty about the projected trend in average hourly earnings adjusted for inflation.

The main objective of this article has been to present facts. The perception that the manufacturing sector has made no significant recovery causes me great concern. Certainly, manufacturing's contribution in terms of jobs and dollars has declined relative to the late '70s, but the situation is much better now than it was five or even two years ago. Manufacturing employment looks good. The sector has added more than 15,000 jobs since the recession low, with a total annual manufacturing payroll increase of close to $600 million, in constant 1987 dollars. Employment growth seems to be assured for 1988. So the real question mark relates to income levels, particularly with the mass of labor negotiations taking place this year. By the end of 1988, we should have a strong sense of the future direction of the sector. Perhaps this will be the year when Oregon's manufacturing employees finally start to make up the ground lost throughout the recession. Or perhaps it will be the year when lower incomes in the manufacturing sector become the norm for the foreseeable future. The important result of this article should be that interested Oregonians are aware of the relevant facts on both sides of the manufacturing picture. In another two years, we might publish another follow-up; who would guess how the narrative will read by then? □





RESIDENT OREGON LABOR FORCE

	MAY[1] 1988	APR.[2] 1988	CHANGE	%CHANGE	MAY[5] 1987
CIVILIAN LABOR FORCE[3]	1,425,400	1,429,800	-4,400	-0.3	1,382,000
UNEMPLOYMENT	83,900	87,600	-3,700	-4.2	79,800
PERCENT OF LABOR FORCE	5.9	6.1	XXX	XXX	5.8
SEASONALLY ADJUSTED PERCENT	6.2	5.9	XXX	XXX	6.0
TOTAL EMPLOYMENT[4]	1,341,500	1,342,200	-700	-0.1	1,302,200

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[1] Preliminary. [2] Revised. [3] Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. [4] Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. [5] Due to revised estimating procedures between December 1987 and January 1988, data for 1988 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (BY PLACE OF WORK)

INDUSTRY	MAY[1] 1988	APR.[2] 1988	MAY 1987	CHANGE FROM APR. 1988	CHANGE FROM MAY 1987
TOTAL[3]	1,131,500	1,121,800	1,094,100	9,700	37,400
WAGE & SALARY EMPLOYMENT INDEX[4]	120.3	120.6	116.4	XXX	XXX
TOTAL MANUFACTURING	207,600	205,500	201,100	2,100	6,500
DURABLE GOODS	153,700	152,000	147,600	1,700	6,100
LUMBER & WOOD PRODUCTS	68,200	67,100	67,300	1,100	900
LOGGING & SAWMILLS	34,400	34,000	34,200	400	200
VENEER & PLYWOOD	17,700	17,500	17,700	200	0
MILLWORK & STRUCTURAL WOOD	10,800	10,400	10,200	400	600
MOBILE HOMES	1,500	1,400	1,300	100	200
OTHER WOOD PRODUCTS	3,800	3,800	3,900	0	-100
FURNITURE AND FIXTURES	2,600	2,600	2,400	0	200
STONE, CLAY, GLASS & CONCRETE	3,700	3,500	3,500	200	200
PRIMARY METALS	10,100	10,100	9,100	0	1,000
BLAST FURNACES, IRON & STEEL	6,000	6,000	5,400	0	600
NONFERROUS METALS	4,100	4,100	3,700	0	400
FABRICATED METALS	10,700	10,600	10,100	100	600
FABRICATED STRUCTURAL METALS	4,800	4,700	4,500	100	300
OTHER FABRICATED METALS	5,900	5,900	5,600	0	300
MACHINERY	15,800	15,800	15,500	0	300
ELECTRICAL EQUIPMENT & SUPPLIES	14,700	14,500	13,300	200	1,400
TRANSPORTATION EQUIPMENT	12,700	12,400	11,400	300	1,300
INSTRUMENTS & RELATED PRODUCTS	11,900	12,100	12,000	-200	-100
MISCELLANEOUS MANUFACTURING	3,300	3,300	3,000	0	300
NONDURABLE GOODS	53,900	53,500	53,500	400	400
FOOD & KINDRED PRODUCTS	19,900	19,300	21,000	600	-1,100
CANNING & PRESERVING	9,100	8,900	10,300	200	-1,200
OTHER FOOD PRODUCTS	10,800	10,400	10,700	400	100
TEXTILE MILL PRODUCTS	1,900	1,900	1,800	0	100
APPAREL	2,900	2,800	2,500	100	400
PAPER & ALLIED PRODUCTS	8,700	9,100	9,100	-400	-400
PRINTING & PUBLISHING	13,500	13,400	12,400	100	1,100
CHEMICALS & ALLIED PRODUCTS	2,100	2,100	2,100	0	0
PETROLEUM REFINING	400	400	400	0	0
RUBBER & PLASTIC PRODUCTS	4,100	4,000	3,700	100	400
LEATHER PRODUCTS	400	500	500	-100	-100
TOTAL NONMANUFACTURING	923,900	916,300	893,000	7,600	30,900
MINING & QUARRYING	1,300	1,300	1,400	0	-100
CONSTRUCTION	37,400	36,000	34,500	1,400	2,900
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	58,900	58,800	57,800	100	1,100
TRANSPORTATION	37,300	37,400	36,700	-100	600
RAILROAD	3,900	3,900	4,000	0	-100
TRUCKING & WAREHOUSING	21,200	21,300	20,800	-100	400
OTHER TRANSPORTATION	12,200	12,200	11,900	0	300
COMMUNICATIONS	12,700	12,600	12,300	100	400
UTILITIES	8,900	8,800	8,800	100	100
TRADE	287,100	283,800	273,400	3,300	13,700
WHOLESALE TRADE	72,500	72,400	67,800	100	4,700
DURABLE GOODS	43,000	42,600	39,800	400	3,200
NONDURABLE GOODS	29,500	29,800	28,000	-300	1,500
RETAIL TRADE	214,600	211,400	205,600	3,200	9,000
GENERAL MERCHANDISE	26,600	26,800	25,800	-200	800
FOOD STORES	35,800	34,900	33,200	900	2,600
AUTO DEALERS & SERVICE STATIONS	26,700	26,600	26,500	100	200
OTHER RETAIL TRADE	125,500	123,100	120,100	2,400	5,400
FINANCE, INSURANCE, & REAL ESTATE	73,300	73,100	71,800	200	1,500
BANKING & CREDIT AGENCIES	24,200	24,200	23,800	0	400
OTHER FINANCE, INSURANCE, & REAL ESTATE	49,100	48,900	48,000	200	1,100
SERVICES	251,900	251,100	243,300	800	8,600
HOTELS & PERSONAL SERVICES	26,700	26,800	26,400	-100	300
HEALTH SERVICES	77,200	77,200	73,900	0	3,300
OTHER SERVICES	148,000	147,100	143,000	900	5,000
GOVERNMENT	214,000	212,200	210,800	1,800	3,200
FEDERAL GOVERNMENT	30,000	29,600	30,100	400	-100
STATE GOVERNMENT	59,100	59,200	57,500	-100	1,600
EDUCATION	25,300	25,300	24,900	0	400
OTHER STATE	33,800	33,900	32,600	-100	1,200
LOCAL GOVERNMENT	124,900	123,400	123,200	1,500	1,700
EDUCATION	79,600	79,100	79,000	500	600
OTHER LOCAL	45,300	44,300	44,200	1,000	1,100
LABOR MANAGEMENT DISPUTES	700	100	100	600	600

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[1] Preliminary

[2] Revised

[3] Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

[4] Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972   100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's Annual Average Employment (774,300) and that of 1977 (936,900).

TOURISM, YOUTHS, AND SUMMERTIME

Art Ayre

Summer has arrived again and it's time for sunshine, tourists, and youths working at summer jobs. Hundreds of thousands of out-of-state tourists and even more Oregonians visit our state's many attractions each year, mostly during the summer months. The impact of this tourism entails both costs and benefits.

The costs of seasonal tourism include some inconveniences like traffic congestion, longer waits at gas stations, "no vacancy" signs, higher hotel rates, filled campgrounds, and more crowded conditions in parks and other recreational facilities. These costs can be reduced if tourism is year-round, instead of seasonal. More on this later. Another cost of tourism is an economic reliance on stability in the price of oil. A substantial rise in this commodity, while it would affect all business sectors, would severely impact tourism in Oregon.

Out-of-state tourists benefit Oregon by spending money here, which increases revenues and jobs in businesses such as restaurants, hotels, service stations, retail stores, and amusement and recreation facilities. These businesses and employees add to state and local government tax revenues. The jobs help open up job opportunities to the unemployed and reduce the unemployment rate. Of course, much tourism is by Oregonians themselves. Oregonians who vacation and spend money in Oregon help keep money here in Oregon, which supports our businesses and labor force rather than those of other states.

. . . regional and state planners are looking to tourism to enhance the state's economic health.

Oregon may not yet be a prime destination of the nation's tourists. In some regions people may still think of it as a state which discourages tourism and immigration. However, following the deep recession of the early 1980s, regional and state planners are looking to tourism to enhance the state's economic health.

Magazine advertisements luring Western U.S. travelers proclaim that "things look different here." Oregon billboard ads beside congested Southern California freeways show scenic Oregon roads with no traffic. And regional planners have targeted tourism as a central theme in several Regional Strategies to be funded in part by lottery dollars.

For example, the Central Oregon Region (Crook, Deschutes, and Jefferson counties) adopted a tourism-based strategy both for the revenue tourists bring to the region and as a vehicle to attract new business. Baker County adopted a strategy based on the development of an Oregon Trail National Monument as a major tourist attraction. And eight northwest Oregon counties (Clackamas, Multnomah, Washington, Yamhill, Lincoln, Tillamook, Clatsop, and Columbia) are grouping together to target tourism, partially as a spinoff of the Oregon Convention Center scheduled to be built in Portland. What is the employment impact of current and potentially increased levels of tourism?

In Oregon, tourism-related jobs are mostly seasonal, although there is a trend toward more winter tourism both at the coast and in the mountains. In most areas, tourist-related jobs occur during the summer months and many require only a short training period. This makes them compatible with the availability and skills of many youths entering the labor market during summer break from school. However, this summer there may actually be some places where there are not enough youths who are qualified, available, and willing to take the number of summer jobs that are normally filled by youths.

One reason for this is that there are simply fewer youths in the population and labor force due to low birth rates in the early 1970s. Another reason may be that some tourist-related businesses are located in scenic areas that are not heavily populated and thus may have difficulty recruiting locally. And part of the problem may be the low level of wages in many tourist-related jobs. Of the jobs available to youths during the summer, those related to tourism tend to offer lower wages than those in other fields. Naturally, this decreases their attraction. Many tourist-related jobs require poise, good language skills, some math skills, and an ability to relate well to the public. Those youths who possess these skills are likely to seek work in higher-paying positions than those offered by tourist-related businesses. The potential shortage of summer help means such businesses may have to raise wages and try to attract new groups into the labor market.

Many of us are familiar with the fast-food restaurant advertisements featuring older workers behind the counter. This is one symptom of the growing shortage of youths who are qualified, available, or willing to work in such businesses. Help-wanted signs and rising wages are other symptoms to look for. Years ago, when Oregon's agricultural crops attracted insufficient youths for planting and harvest, farmers turned to migrant farmworkers to pick up the slack. Today, tourism-related businesses may be caught between the growth of tourist traffic and the decline of a major source of summer workers. To resolve this shortage of labor, they will increasingly turn to relatively high unemployment minority groups, retirees, homemakers, and others residing in the area but not currently employed. Many of these people will lack the level of skills desired by businesses. This situation will be an excellent opportunity for employers and public agencies to maximize the benefits of pre-employment and on-the-job training and skills enhancement for those who would otherwise almost certainly remain unemployed.

However, even with the assistance of these new or underutilized labor pools, seasonal tourism typically results in traffic congestion, filled campgrounds, crowded parks, and "no vacancy" signs. Why? Because it is frequently uneconomical to build and maintain facilities needed to accomodate everyone with elbow-room to spare during peak demand when that level of demand lasts only half the year, at best. Even if the State's citizens were willing to pay for sufficient public works to accomodate peak demand comfortably, many businesses would be profitable enough to support their upkeep and taxes during the "off season" only if they were small enough to operate at full capacity for much of the "high season", raising prices and turning away some potential customers at peak periods of demand. To the degree that tourism can be made year-round, tourist facilities will be more profitable at lower levels of capacity, more will be built, and the various costs and inconveniences of seasonal tourism will be reduced. The recent trend toward frequent short trips and away from one long annual vacation is helping promote year-round tourism. Unfortunately, Oregon's distance from major centers of population prevent it from taking full advantage of this trend.

The growth of tourism in Oregon will involve both costs and benefits. By making tourism less seasonal and keeping Oregonian's vacation dollars in the state, we can minimize its costs. By providing training in the needed skills to those unemployed people who could gain most by becoming employed, we can maximize tourism's benefits. □

UNEMPLOYMENT RATES BY STATE - 1987

Jeff Hannum

Oregon wasn't the only state with an improved economy in 1987, but we did claim the prize for having the greatest "comeback" so to speak.

Despite last year's stock market gyrations, the Nation's economic recovery passed the five year milestone in 1987. One of the most visible signs of this improvement was a broad-based decline in unemployment throughout the Nation, with 44 states reporting lower jobless rates. States with rates below the national average of 6.2% were mainly located along the East Coast, the agricultural plains, and the far West. Higher than average rates were found in the highly industrialized states of the midwest and states heavily dependent on oil, gas, and mineral extraction (see map).

Oregon's distinction was not its low unemployment rate in 1987 . . . but rather the extent of improvement over the year, falling from 8.5% to 6.2%.

Oregon's distinction was not its low unemployment rate in 1987, which at 6.2% equaled the national average, but rather the extent of improvement over the year, falling from 8.5% to 6.2%. No other state experienced such a dramatic decline in this key labor market indicator.

In some respects, just equaling the national average rate represents a significant achievement for Oregon. Historically, Oregon's rate of unemployment is about one and a half percentage points above the U.S. rate due, in large part, to the seasonal nature of our three main industries-forest products, agriculture and related food processing, and tourism/recreation.

Due to the nature of these and other basic industries, Oregon's economy also tends to be more sensitive to the business cycle than the country as a whole. Consequently, the State's jobless rate typically exceeds the U.S. rate by about two percentage points during recession periods and by only one percentage point or less during good economic years. Since 1970, Oregon's jobless rate dropped below the national average (-0.1) and below the State's 1987 rate (-0.2) only once. That year was 1978 when 6.0% of Oregon's labor force was out of work.

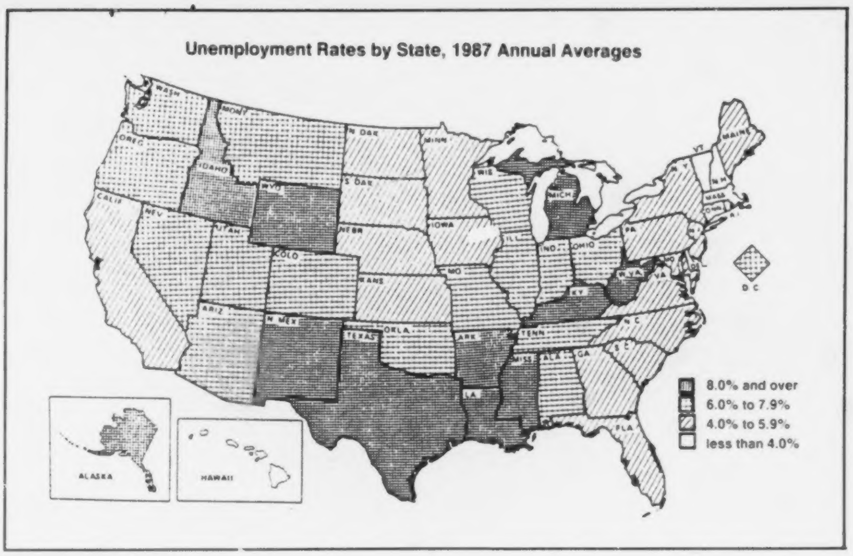
1987 UNEMPLOYMENT RATES BY STATE

AREA	1987 RANK	1987	1986	1986-87 CHANGE
United States		6.2	7.0	-0.8
New Hampshire	1	2.5	2.8	-0.3
Delaware	2	3.2	4.3	-1.1
Massachusetts	2	3.2	3.8	-0.6
Connecticut	3	3.3	3.8	-0.5
Vermont	4	3.6	4.7	-1.1
Rhode Island	5	3.8	4.0	-0.2
Hawaii	5	3.8	4.8	-1.0
New Jersey	6	4.0	5.0	-1.0
Maryland	7	4.2	4.5	-0.3
South Dakota	7	4.2	4.7	-0.5
Virginia	7	4.2	5.0	-0.8
Maine	8	4.4	5.3	-0.9
North Carolina	9	4.5	5.3	-0.8
Nebraska	10	4.9	5.0	-0.1
New York	10	4.9	6.3	-1.4
Kansas	10	4.9	5.4	-0.5
North Dakota	11	5.2	6.3	-1.1
Florida	12	5.3	5.7	-0.4
Minnesota	13	5.4	5.3	0.1
Iowa	14	5.5	7.0	-1.5
Georgia	14	5.5	5.9	-0.4
South Carolina	15	5.6	6.2	-0.6
Pennsylvania	16	5.7	6.8	-1.1
California	17	5.8	6.7	-0.9
Wisconsin	18	6.1	7.0	-0.9
Oregon	**19**	**6.2**	**8.5**	**-2.3**
Arizona	19	6.2	6.9	-0.7
Nevada	20	6.3	6.0	0.3
Missouri	20	6.3	6.1	0.2
Utah	21	6.4	6.0	0.4
Tennessee	22	6.6	8.0	-1.4
Indiana	22	6.6	6.7	-0.1
Ohio	23	7.0	8.1	-1.1
Montana	24	7.4	8.1	-0.7
Illinois	24	7.4	8.1	-0.7
Oklahoma	24	7.4	8.2	-0.8
Washington	25	7.6	8.2	-0.6
Colorado	26	7.7	7.6	0.1
Alabama	27	7.8	9.8	-2.0
Idaho	28	8.0	8.7	-0.7
Arkansas	29	8.1	8.7	-0.6
Michigan	30	8.2	8.8	-0.6
Texas	31	8.4	8.9	-0.5
Wyoming	32	8.6	9.0	-0.4
Kentucky	33	8.8	9.3	-0.5
New Mexico	34	8.9	9.2	-0.3
Mississippi	35	10.2	11.7	-1.5
West Virginia	36	10.8	11.8	-1.0
Alaska	36	10.8	10.8	0.0
Louisiana	37	12.0	13.1	-1.1

If we assume that level represents virtual "full employment" for Oregon, then current labor market conditions in the State (6.0% average in 1988 to date) must be getting very tight. If so, we can expect a rising tide of labor skill shortages, upward pressure on wage rates and hours worked, and perhaps even a jump in net inmigration to the State as the year progresses.

If unemployment rates were the sole reason for population migration four states, in particular, would be big losers. As the accompanying table shows, Louisiana, Alaska, West Virginia, and Mississippi all had one thing in common last year--double-digit unemployment rates! Louisiana, with the highest jobless rate in the Nation (12.0%), and Alaska (10.8%) are both "oil patch" states.

States with the lowest jobless rates in 1987, and probably the greatest labor shortages, were concentrated in the New England region. Of the seven states with unemployment rates below 4.0%, five are New England states and one, Delaware, is in close proximity. New Hampshire had the lowest unemployment in the Nation last year with an incredible 2.5% rate. □



Unemployment Rates by State, 1987 Annual Averages

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Apr.[2] 1988	Mar.[3] 1988	Apr. 1987	Apr.[2] 1988	Mar.[3] 1988	Apr. 1987	Apr.[2] 1988	Mar.[3] 1988	Apr. 1987
TOTAL MANUFACTURING[4]	$428.53	$417.98	$414.49	39.9	39.1	39.4	$10.74	$10.69	$10.52
Durable Goods	438.07	421.58	421.30	40.6	39.4	40.2	10.79	10.70	10.48
Lumber & Wood Products	446.90	417.88	430.77	41.0	38.8	40.6	10.90	10.77	10.61
Logging & Sawmills	475.88	443.14	459.59	40.5	38.4	40.6	11.75	11.54	11.32
Veneer & Plywood	457.95	422.14	418.80	42.6	39.6	40.7	10.75	10.66	10.29
Millwork & Structural	353.28	343.49	374.10	40.1	38.9	41.2	8.81	8.83	9.08
Mobile Homes	319.74	318.92	314.28	36.5	36.2	36.0	8.76	8.81	8.73
Other Wood Products	427.01	407.64	419.58	41.7	39.5	40.5	10.24	10.32	10.36
Furniture & Fixtures	263.27	302.68	265.22	30.9	36.6	29.7	8.52	8.27	8.93
Primary Metals	496.17	505.73	507.03	41.8	41.9	41.8	11.87	12.07	12.13
Fabricated Metals	392.35	385.88	365.88	40.2	39.7	39.3	9.76	9.72	9.31
Machinery (Ex Electrical)	459.19	442.78	425.25	40.6	40.4	38.8	11.31	10.96	10.96
Nondurable Goods	402.80	405.38	397.62	38.0	38.1	37.3	10.60	10.64	10.66
Food & Kindred Products	321.66	325.06	320.38	35.9	35.8	34.9	8.96	9.08	9.18
Canning & Preserving	256.28	273.88	260.70	33.9	34.8	33.0	7.56	7.87	7.90
Other Food Products	402.53	383.69	394.26	38.3	37.0	37.3	10.51	10.37	10.57
Textile Mill Products	247.16	247.05	255.08	36.4	36.6	38.3	6.79	6.75	6.66
Apparel	234.42	229.32	225.75	36.4	36.0	37.5	6.44	6.37	6.02
Paper & Allied Products	630.20	612.45	640.76	42.9	43.1	41.5	14.69	14.21	15.44
Printing & Publishing	434.75	452.72	406.61	37.0	37.2	36.5	11.75	12.17	11.14
Construction[4]	483.66	482.32	479.85	34.4	34.6	35.0	14.06	13.94	13.71
Communications & Utilities[5]	528.21	509.21	527.95	40.6	39.2	40.8	13.01	12.99	12.94
Trade[5]	305.72	286.09	292.24	34.9	33.5	34.1	8.76	8.54	8.57
Wholesale Trade	411.69	378.63	392.02	39.7	37.6	37.3	10.37	10.07	10.51
Retail Trade	252.20	239.72	244.50	32.5	31.5	32.6	7.76	7.61	7.50
Banking & Insurance[5]	339.46	318.26	310.72	38.4	35.8	37.8	8.84	8.89	8.22
State & Local Government	366.79	362.93	346.17						

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[1] *Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.*

[2] *Preliminary*

[3] *Revised*

[4] *Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.*

[5] *Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.*

EMPLOYERS' CORNER

Carolyn Hansen

Who's watching the Trust Fund?

As an employer, that may be a question you've asked yourself. After all, the Trust Fund is your unemployment tax dollars. The Employment Division has many safeguards to ensure that benefits are paid only when a person is eligible to receive them.

One of these safeguards is the Quality Control Program.

You may have been visited by an Employment Division Quality Control (QC) investigator and wondered why he/she needed to review your records of wages paid to a particular employee. It may have been inconvenient for you to take time to show the investigator where to find these wage records.

All of this began in April 1984. Oregon was one of several states involved in a pilot program to measure payment error rates on unemployment claims. Since that time, the Quality Control Program has become mandatory in every state.

The U.S. Department of Labor sponsors the program by providing the money for Quality Control investigators in each state. Each week several claims are chosen at random for an in-person review by an investigator to ensure that payments are properly made.

The investigator reviews the records of each employer who has contributed during the period the selected claim was based upon to determine if the wages were correctly reported each quarter. The claimant is interviewed in depth about his/her eligibility for benefits and is asked to complete a 17-page questionnaire. This questionnaire seeks information about who the claimant worked for, employers contacted while seeking work, availability for work, child care arrangements, etc. Each of these persons is then contacted to verify the information given to us by the individual. This information affects the person's eligibility for unemployment benefits. From these in-depth investigations, statistics are compiled about proper and improper payments of unemployment benefits.

You may be asking "why collect these statistics? And does anyone really do anything with them?"

This is where the Quality Improvement Project (QIP) begins. The goal of QIP is to reduce overpayments in the unemployment claims process.

The QIP staff look at mispayment statistics as identified by Quality Control and other units within the Employment Division. After identifying problem areas, they determine whether current procedures exist to prevent the overpayment. If there is a procedure in place, where did it break down? Did an employee follow it correctly? Sometimes the problem may be solved by training or awareness of the problem.

But if the procedure, or lack of one, does appear to be the problem, the QIP unit will design several possible solutions. These may be different procedures, new or different forms, etc. A study is designed and the different methods are tested to determine their effectiveness. Sample cases are "walked through" the proposed procedures or changes to see how much money would be saved.

After determining whether money could be saved, the costs for implementing the changes must be considered.

Changes won't be implemented unless there is a reasonable ratio between what could be saved in the Trust Fund and what it costs in both one-time and on-going staff costs to implement.

All decisions to make changes must be done while keeping several things in mind. Employment Division staff strive to do the best job possible while staying within the budget constraints. The Trust Fund is supported by a tax paid by employers. The Employment Division is the guardian of these funds and is charged with accurately paying benefits to individuals who are eligible.

These programs, Quality Control and the Quality Improvement Project, are just two of the ways the Employment Division ensures these charges are being met. ☐

JSEC SEMINAR

MANAGING EMPLOYEES LEGALLY
Takeena Lodge, Albany
July 12 . . . 7:30 AM to 1:00 PM
Call Sue Hankins or
Andy Runnion, phone 967-2171

OREGON LABOR TRENDS

OREGON LABOR TRENDS is published monthly by the Research and Statistics Section of the Oregon Employment Division, W. E. Hunter, Administrator.

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OREGON LABOR TRENDS

JULY 1988

JUNE INDICATORS

UNEMPLOYMENT RATE

Oregon (Seas. Adj.)

June	1988	6.3
May	1988	6.2
June	1987	6.0

U.S. (Seas. Adj.)

June	1988	5.3
May	1988	5.6
June	1987	6.1

WAGE AND SALARY EMPLOYMENT INDEX

Oregon (1977=100)

June	1988	120.7
May	1988	120.6
Apr.	1988	120.6
Mar.	1988	120.8
Feb.	1988	120.1

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon

May	1988	$10.74
Apr.	1988	$10.75
May	1987	$10.61

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon

May	1988	38.5
Apr.	1988	40.0
May	1987	40.2

CONSUMER PRICE INDEX (CPI)

1982-84=100

ALL URBAN CONSUMERS

Portland-Vancouver

July-Dec. 1987	111.9
Yearly change	3.3%
Annual Average 1987	110.9
Yearly change	2.5%

U.S.

June 1988	118.0
Yearly change	4.0%
Annual Average 1987	113.6
Yearly change	3.6%

Portland Hotline 221-4132

LET THE GOOD TIMES ROLL!

Jeff Hannum

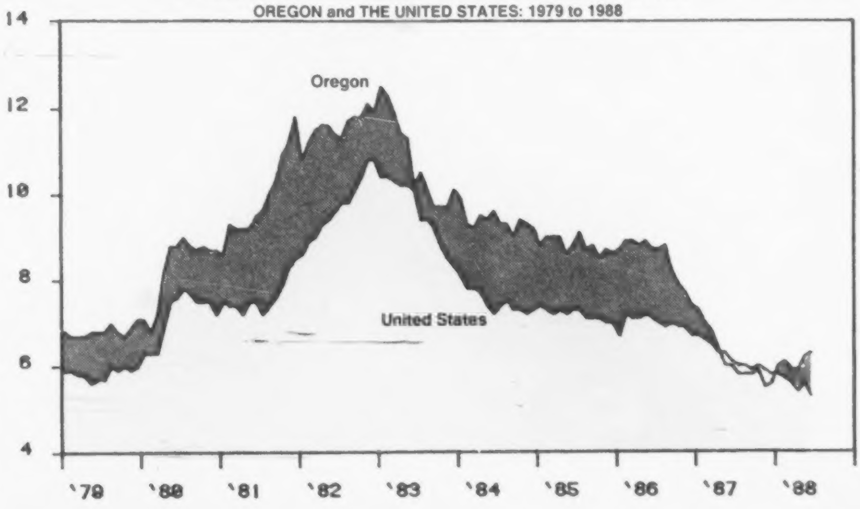
Considering the record length of this business expansion (67 months), the historic stock market crash last fall, and the performance of recent indicators, the current economic expansion looks like a geriatric miracle! How much longer will it last? The answer, of course, is that no one really knows. The next recession could be right around the corner (i.e. 1989) or two to three years off depending on how fast various pressures and imbalances build in the economy, and what kinds of fiscal and monetary policies are pursued by the government, especially the Federal Reserve Board.

One of the keys to the longevity of this expansion will be the rate of inflation in various sectors of the economy. In early 1988, the Federal Reserve was primarily concerned with preventing a recession following the record drop in the stock market last fall. Consequently, it allowed interest rates to fall from late October through March. Since then, however, the Fed has become increasingly concerned about inflation and the fast track of the economy and has begun to shift its emphasis once again to heading off a new wage-price spiral. As a result, interest rates have been moving higher in recent months. The prime interest rate, for example, which is a key benchmark that banks use in setting interest rates on a variety of consumer and business loans, jumped by half a percentage point last May to 9%. In mid-July, it rose again to 9 1/2%, the highest rate in over two years. Many economists expect at least one more increase before the end of the year, and further tightening in early 1989.

Consumer price inflation (U.S. CPI-U) has been running about 4% above a year ago during the first half of 1988 due partly to lower energy prices and only moderate wage gains. However, its trend over the next six months to a year is definitely upward because of delayed impacts from the cheaper dollar, a severe drought in the Midwest, capacity constraints in a number of export-related industries, and prospects of growing labor shortages for both experienced and even entry-level workers.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*

OREGON and THE UNITED STATES: 1979 to 1988



*Civilian Labor Force Only

One recent sign of the Nation's tightening labor market was the three tenths of a point drop in unemployment to 5.3% in June, the lowest jobless rate in 14 years! The rate one year ago was 6.1%. Furthermore, "job losers" comprised only 2.5% of the labor force, and the long-term unemployed (i.e. 15 weeks or longer) fell to only 1.2% in June. At the same time, the number of people with jobs rose sharply with a variety of industries reporting employment gains.

Recent labor force statistics for Oregon haven't been quite as strong, but this is probably due more to our exceptional performance during a very mild winter, coupled with layoffs in the electronics industry beginning last spring and an outbreak of labor disputes recently in several industries, especially lumber and wood products. Oregon's less favorable recent trends when compared with the Nation are apparent if you look at the unemployment rate and nonfarm employment index graphs. The State's jobless rate hit 5.5% last November, the lowest rate in 14 years, but has been creeping upward since then. June's one tenth of a point increase to 6.3% followed a larger three tenths point gain in May. The U.S. rate, in contrast, is still headed lower.

Despite the pause in real growth in recent months, total employment and nonfarm payroll employment reached record levels in June.

Another indicator of Oregon's economy, the seasonally adjusted nonfarm employment index, has performed a little better. Although it soared during the winter months, this high-flying index has stalled since March. In other words, job growth has barely kept up with normal seasonal trends. Despite this pause in real growth, however, both total employment and nonfarm payroll employment reached record levels in June.

Widespread labor disputes in the wood products industry were a key feature in June, and affected the labor force statistics and overall economy in different ways. In terms of the statistics, workers involved in a strike are still counted as "employed and working" if they work at least one hour during the mid-month survey week. Otherwise, striking employees are considered "employed, but not at work". This means they appear in the "total resident employment" and "labor-management disputes" categories, but not in the "wage and salary industry employment" series which is derived from employers' payroll records. (If there had been no labor disputes in June, the nonfarm wage and salary employment index would have risen by about three-tenths of a point instead of the published one-tenth.)

Note that strikers are also not counted as "unemployed" because they have a job but are temporarily absent. Workers locked out are treated in the same way as workers who walk off their jobs, i.e. involved in a "labor-management dispute."

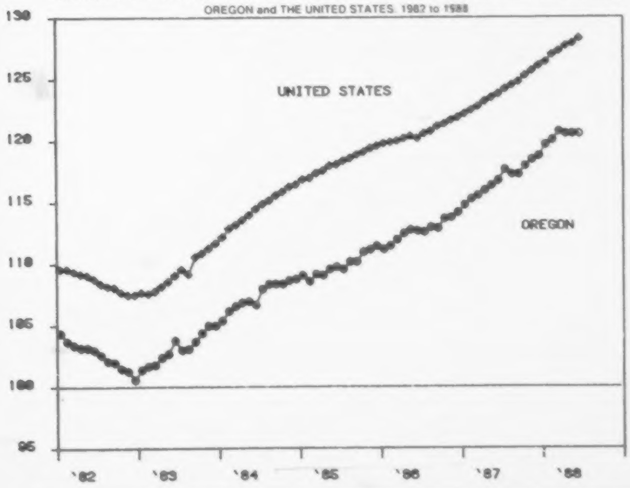
Regardless of how the wood products workers show up in the labor force statistics, they are having a significant impact on the State and their local economies. Labor disputes involved 2,400 employees in mid-June. By mid-July, this number had doubled. The vast majority of these workers were from the wood products industry. For every lumber worker on strike, the average weekly income loss is about $343. This is based on average weekly earnings of $443 minus about $100 of union strike benefits (not unemployment insurance). The income loss, therefore, during just the mid-June survey week was almost $800,000. By the following week, with more than 3,500 on strike, the loss would have risen to $1.2 million. Add to this the paperworkers (Smurfit Newsprint Corp.) and the nurses (Kaiser Permanente), and the total weekly income loss would be around $1.5 million. This includes only the direct impact of the labor disputes due to lost wages. If we were to add the indirect or secondary income losses in other sectors of the economy due to less spending by workers and companies involved in the disputes, the total impact would be even higher.

How long the labor-management disputes in the wood products industry will last is anybody's guess. In light of record industry profits in 1987-88, wood products workers are seeking to restore large wage and benefit concessions they made in 1985-86 when the industry was still struggling with high costs and intense competition from other producing regions, primarily Canada and the South. Also, lumber and plywood markets were not as strong then. While labor views these concessions as temporarily necessary to save jobs until the industry could become healthy again, the companies want to maintain their competitiveness and keep a lid on rising costs for labor, capital and raw materials.

Stumpage costs have already risen significantly in the past year due to

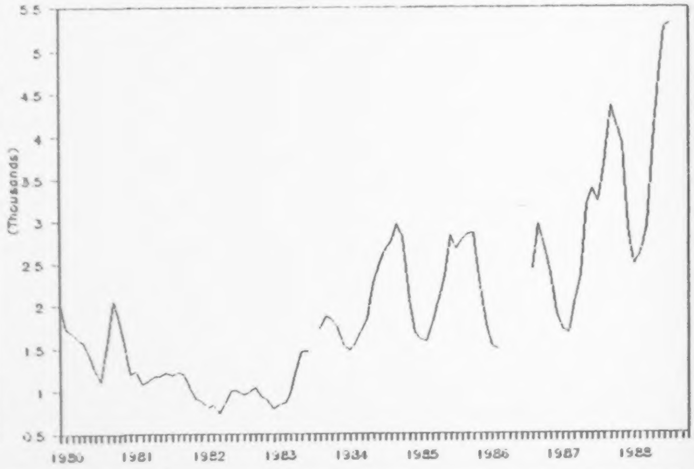
SEASONALLY ADJUSTED NON-AG WAGE & SALARY EMPLOYMENT INDEXES

OREGON and THE UNITED STATES 1982 to 1988



EMPLOYMENT DIVISION JOB ORDERS

STATE OF OREGON



strong domestic and foreign demand for logs. The problem of rising stumpage values and potential timber shortages beyond 1988 may become much more serious depending on the outcome of new federal forest management plans now being decided which will cover the next 10-15 years. Companies with relatively low labor and other costs will be in a better position to bid successfully on available timber supplies.

Management is also probably concerned that we may currently be at the cyclical peak of the timber industry's business cycle. The pace of construction activity, especially homebuilding, is very sensitive to interest rates. Since the overall rate of inflation and cost of money are headed higher over the next year, the housing industry is already slowing. Wharton Econometric Forecasting Associates' latest outlook calls for U.S. housing starts to fall by at least 10% this year to 1.46 million units, then slide another 6% in 1989 to only 1.37 million. Although other wood product markets may help to offset the expected slowdown in residential construction, the industry, overall, is facing a more difficult economic period in the next couple of years.

Another factor that may influence the duration of the current woodworker strikes is that union members now account for a much smaller proportion of total employment in the industry. A recent **Random Lengths** newsletter reported: "Woodworkers' unions in the Western U.S. have lost more than half of their members since 1980. And, the unions' share of total employment in the region has fallen. About 40% of the wood products workers in the Western U.S. were members of the two major woodworkers' unions in 1980. The figure is now around 20%. Widespread mill closures early in the decade caused most of the drop. Many plants have since reopened as nonunion operations."

If the strikes had not occurred, the lumber and wood products industry would have added over 2,000 jobs in June, about as expected for this time of year. In fact, it would have been the best June for lumber and wood products jobs since 1979. Instead, employment fell by 200 over the month and by 1,600 since one year ago.

Other durable goods industries also failed to achieve their normal June gains, as seasonally adjusted employment fell by 900. The main reason for this weak performance was a 1,300 job loss in the volatile ship building and repair segment of the transportation equipment industry. Continued layoffs in portions of the electronics industry, however, may prove to be more longterm than those in ship repair. Instruments and related products lost another 100 jobs, and the electronic computing and calculating equipment segment of the machinery industry dropped by 200 in June. This decline brought employment in the electronic computing industry down to 3,000, its lowest level in over nine years! In just the past year, this industry has reduced its workforce by 1,100. Further layoffs in these two high tech categories cannot be ruled out.

The diversity of Oregon's electronics sector, however, helped to offset these latest declines as electrical equipment and supplies boosted employment by 300 in June. More increases are expected later this year due to expansion projects and new plants currently under construction.

The outlook for housing over the next year is less rosy due to rising mortgage interest rates.

Despite weakness in a few industries in June, all durable goods categories except lumber and wood and instruments and related products had higher employment than a year ago. And this would include wood products if there had been no strikes in June. Many of these industries continue to benefit from a surge in export sales and strong domestic demand for manufacturing equipment and other capital goods.

Nondurable goods industries, as a whole, fared well in June led by the booming paper and allied products industry (up 700 due mostly to returning strikers) and further expansion in plastic products. The paper industry is running flat out and has projects underway that will increase production capacity and employment eventually. Although printing and publishing was stable in June this industry has added more jobs over the past year (1,000) than any other manufacturing industry except electrical equipment and supplies (1,500).

Food processing firms added more workers (3,100) over the month than any other manufacturing industry, but this gain was 500 less than seasonally expected, probably reflecting a slow start in the strawberry harvest due to cool, wet weather in May. Last year, the berry harvest started a few weeks early due to good weather. This, plus the new Immigration Reform Act, created a severe shortage of strawberry pickers. This year, however, migrant farm workers arrived early and in droves. But strawberry prices and farm worker wages were much lower due to large inventories carried over from 1987 and a second straight year of heavy production.

Another goods-producing industry, construction, appears to be slowing after setting a torrid pace in the first four months of the year. But it was still the best June in years for many parts of the industry, including nonresidential contractors; plumbing, heating and air conditioning; electrical work; and masonry, stonework and plastering. Nonresidential building contractors' employment was at the highest level since 1980. Although Oregon building permits for new homes in the first half of 1988 were over 5% above the same period a year ago (single family permits were up 12% but multi-family were down 7%), the outlook for housing over the next year is less rosy due to rising mortgage interest rates. Nonresidential construction will probably continue to do well due to the high volume of commercial, industrial, and public projects in the pipeline and the longer time periods needed to complete them.

The service-producing industries continued to shine in June, adding 9,700 new jobs. This was over 4,000 more than seasonally expected. Two industries, in particular, reported strong growth. Employment in services tallied the best month in years. Business, data processing, health and temporary help services were some of the leaders. Professional and scientific services also jumped due to strong demand for engineering and design work.

Wholesale and retail trade also had a banner month adding 5,000 jobs, or 900 more than expected in June. New variety stores and food stores plus strong seasonal hiring in other trade sectors like eating and drinking places heightened the demand for both experienced and entry-level workers.

Local offices of the Employment Division are reporting great success in placing job applicants this summer, including the heavy influx of young workers in June. Although job prospects for youths 16 and over are the best in years, legal work restrictions make it difficult to place 14 and 15 year olds. The good job market for older youths reflects two key factors. First, the Oregon economy is "hot." Many industries are operating either at the highest levels ever, or at least since the late 1970s. And tourist-related businesses, which typically employ a large number of young entry-level workers, are enjoying one of the best seasons ever. State tourism officials report that a record-breaking 56,000 visitors stopped at welcome centers in May, a 50% increase from last year. Even most of the state's manufacturing industries are much healthier now because of an export boom and the high level of domestic capital spending needed to support it.

A second reason for this summer's better youth job prospects has to do with demographics. The youngest "baby boomers" are now in their mid-twenties and the oldest have already hyperventilated trying to blow out 40 candles. Due to a sharp drop in birth rates in the latter half of the 1960s and early 1970s, the "birth dearth" generation is now entering the labor force. In fact, the number of Oregon high school graduates each year has declined virtually nonstop since the early 1970s. At the present time, the number has temporarily increased, but the downward slide is projected to resume, reaching a low point in 1992. By 1993, the count will begin to climb again as the children of the baby boomers start to graduate from high school.

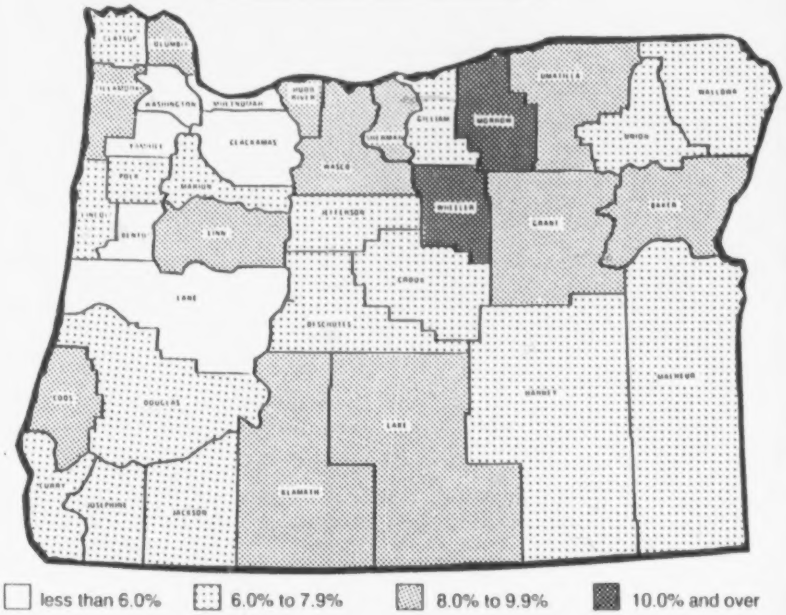
An additional factor that may tighten the labor supply, especially during the school season, is that many of these graduates realize that college or vocational training beyond high school is necessary if they want to be successful in today's rapidly changing, technologically oriented economy. Although many college students work while attending school, they are only available for part-time jobs that mesh with class schedules. As more and more employers discover that they can't attract enough entry-level workers at near-minimum wages, pay levels will gradually increase. It may take many more years of economic growth and inflation before Oregon McDonalds franchises are paying $6.00/hour plus benefits to start as they are in New England, but the direction of entry pay scales here is undoubtedly headed upward. To some extent, at least, this combination of strong economic growth plus fewer young entry-level workers available will render moot the current debate over raising the minimum wage. Of course, a big increase in net inmigration to Oregon from other states could help to alleviate any labor shortages, but at the present time this is not very likely, especially if our pay levels are relatively low compared with other states.

In any event, Oregon's economy is stronger now than at any time during the 1980s and the labor market is fairly tight. Labor shortages of both experienced and even entry-level workers are becoming more common. Employment Division local offices have made nearly 35,000 nonfarm job placements during the first six months of 1988, an increase of almost 13% over the same period a year ago. And the trend in total job orders received (see graph) reflects a very healthy economy. So despite this summer's rash of labor disputes and some recent increases in the unemployment rate and interest rates, the Oregon economy, at least for now, is on a roll! □

1987 UNEMPLOYMENT RATES BY AREA

AREA	1987 RANK	1987	1986	1986-87 CHANGE
United States		6.2	7.0	-0.8
OREGON		6.2	8.5	-2.3
Benton	1	3.7	5.1	-1.4
Portland PMSA 1/	2	5.3	7.1	-1.8
Eugene-Springfield MSA 2/	3	5.7	8.6	-2.9
Curry	4	6.2	9.5	-3.3
Salem MSA 3/	4	6.2	8.5	-2.3
Medford MSA 4/	5	6.4	8.7	-2.3
Clatsop	6	6.6	8.5	-1.9
Jefferson	6	6.6	9.2	-2.6
Lincoln	6	6.6	8.4	-1.8
Gilliam	7	6.7	6.7	0.0
Josephine	8	7.3	9.7	-2.4
Crook	9	7.5	10.1	-2.6
Douglas	10	7.6	9.9	-2.3
Malheur	11	7.7	10.3	-2.6
Deschutes	12	7.8	10.3	-2.5
Harney	13	7.9	11.1	-3.2
Wallowa	13	7.9	10.8	-2.9
Union	13	7.9	10.9	-3.0
Coos	14	8.2	10.6	-2.4
Columbia	14	8.2	10.7	-2.5
Tillamook	14	8.2	9.0	-0.8
Linn	15	8.3	12.0	-3.7
Klamath	15	8.3	12.1	-3.8
Lake	16	8.5	10.6	-2.1
Hood River	17	9.1	13.6	-4.5
Wasco-Sherman	18	9.4	14.3	-4.9
Umatilla	19	9.5	11.9	-2.4
Grant	20	9.6	12.7	-3.1
Baker	20	9.6	13.6	-4.0
Wheeler	21	10.3	11.3	-1.0
Morrow	22	13.8	13.1	0.7

1/ Clackamas, Multnomah, Washington & Yamhill Counties
2/ Lane County
3/ Marion and Polk Counties
4/ Jackson County



RESIDENT OREGON LABOR FORCE

	JUN.[1] 1988	MAY[2] 1988	CHANGE	%CHANGE	JUN.[5] 1987
CIVILIAN LABOR FORCE[3]	1,460,100	1,432,000	28,100	2.0	1,414,800
UNEMPLOYMENT	84,500	84,000	500	0.6	78,100
PERCENT OF LABOR FORCE	5.8	5.9	XXX	XXX	5.5
SEASONALLY ADJUSTED PERCENT	6.3	6.2	XXX	XXX	6.0
TOTAL EMPLOYMENT[4]	1,375,600	1,348,000	27,600	2.0	1,336,700

[1] *Preliminary.* [2] *Revised.* [3] *Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting.* [4] *Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants.* [5] *Due to revised estimating procedures between December 1987 and January 1988, data for 1988 and that of previous years are not strictly comparable.*

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (BY PLACE OF WORK)

				CHANGE FROM	
INDUSTRY	JUN.[1] 1988	MAY[2] 1988	JUN. 1987	MAY 1988	JUN. 1987
TOTAL[3]	1,148,300	1,134,300	1,109,200	14,000	39,100
WAGE & SALARY EMPLOYMENT INDEX[4]	120.7	120.6	116.6	XXX	XXX
TOTAL MANUFACTURING	211,100	208,000	208,200	3,100	2,900
DURABLE GOODS	152,700	153,500	150,300	-800	2,400
LUMBER & WOOD PRODUCTS	68,000	68,200	69,600	-200	-1,600
LOGGING & SAWMILLS	34,500	34,300	35,800	200	-1,300
VENEER & PLYWOOD	16,800	17,800	17,900	-1,000	-1,100
MILLWORK & STRUCTURAL WOOD	11,400	10,700	10,600	700	800
MOBILE HOMES	1,500	1,500	1,400	0	100
OTHER WOOD PRODUCTS	3,800	3,900	3,900	-100	-100
FURNITURE AND FIXTURES	2,600	2,600	2,500	0	100
STONE, CLAY, GLASS & CONCRETE	3,700	3,600	3,500	100	200
PRIMARY METALS	10,200	10,100	9,400	100	800
BLAST FURNACES, IRON & STEEL	6,000	6,000	5,600	0	400
NONFERROUS METALS	4,200	4,100	3,800	100	400
FABRICATED METALS	10,700	10,600	10,300	100	400
FABRICATED STRUCTURAL METALS	4,800	4,700	4,600	100	200
OTHER FABRICATED METALS	5,900	5,900	5,700	0	200
MACHINERY	15,900	15,900	15,500	0	400
ELECTRICAL EQUIPMENT & SUPPLIES	14,900	14,600	13,400	300	1,500
TRANSPORTATION EQUIPMENT	11,400	12,700	10,900	-1,300	500
INSTRUMENTS & RELATED PRODUCTS	11,800	11,900	12,100	-100	-300
MISCELLANEOUS MANUFACTURING	3,500	3,300	3,100	200	400
NONDURABLE GOODS	58,400	54,500	57,900	3,900	500
FOOD & KINDRED PRODUCTS	23,700	20,600	25,000	3,100	-1,300
CANNING & PRESERVING	12,600	9,800	14,000	2,800	-1,400
OTHER FOOD PRODUCTS	11,100	10,800	11,000	300	100
TEXTILE MILL PRODUCTS	1,900	1,900	1,800	0	100
APPAREL	2,900	2,900	2,500	0	400
PAPER & ALLIED PRODUCTS	9,300	8,600	9,300	700	0
PRINTING & PUBLISHING	13,400	13,400	12,400	0	1,000
CHEMICALS & ALLIED PRODUCTS	2,100	2,100	2,100	0	0
PETROLEUM REFINING	400	400	500	0	-100
RUBBER & PLASTIC PRODUCTS	4,300	4,100	3,800	200	500
LEATHER PRODUCTS	400	500	500	-100	-100
TOTAL NONMANUFACTURING	937,200	926,300	901,000	10,900	36,200
MINING & QUARRYING	1,400	1,300	1,500	100	-100
CONSTRUCTION	38,600	37,500	36,000	1,100	2,600
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	59,700	58,900	58,400	800	1,300
TRANSPORTATION	38,000	37,300	37,100	700	900
RAILROAD	3,800	3,900	3,900	-100	-100
TRUCKING & WAREHOUSING	22,000	21,200	21,300	800	700
OTHER TRANSPORTATION	12,200	12,200	11,900	0	300
COMMUNICATIONS	12,800	12,700	12,400	100	400
UTILITIES	8,900	8,900	8,900	0	0
TRADE	292,700	287,700	277,600	5,000	15,100
WHOLESALE TRADE	73,300	72,400	68,900	900	4,400
DURABLE GOODS	43,900	43,000	40,500	900	3,400
NONDURABLE GOODS	29,400	29,400	28,400	0	1,000
RETAIL TRADE	219,400	215,300	208,700	4,100	10,700
GENERAL MERCHANDISE	27,500	26,800	26,300	700	1,200
FOOD STORES	36,600	35,700	33,700	900	2,900
AUTO DEALERS & SERVICE STATIONS	27,500	27,000	26,800	500	700
OTHER RETAIL TRADE	127,800	125,800	121,900	2,000	5,900
FINANCE, INSURANCE, & REAL ESTATE	74,200	73,400	72,500	800	1,700
BANKING & CREDIT AGENCIES	24,200	24,200	23,800	0	400
OTHER FINANCE, INSURANCE, & REAL ESTATE	50,000	49,200	48,700	800	1,300
SERVICES	253,700	251,700	242,900	2,000	10,800
HOTELS & PERSONAL SERVICES	27,800	26,600	27,000	1,200	800
HEALTH SERVICES	78,200	77,200	74,700	1,000	3,500
OTHER SERVICES	147,700	147,900	141,200	-200	6,500
GOVERNMENT	216,900	215,800	212,100	1,100	4,800
FEDERAL GOVERNMENT	31,100	30,100	30,800	1,000	300
STATE GOVERNMENT	60,500	59,600	58,700	900	1,800
EDUCATION	25,500	25,500	24,900	0	600
OTHER STATE	35,000	34,100	33,800	900	1,200
LOCAL GOVERNMENT	125,300	126,100	122,600	-800	2,700
EDUCATION	78,900	80,000	77,100	-1,100	1,800
OTHER LOCAL	46,400	46,100	45,500	300	900
LABOR – MANAGEMENT DISPUTES	2,400	700	100	1,700	2,300

[1] *Preliminary*

[2] *Revised*

[3] *Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self employed, private household workers and armed forces excluded. Note: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.*

[4] *Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's Annual Average Employment (774,300) and that of 1977 (936,900).*

HOURS & EARNINGS - WHERE IS THE REAL TREND?

Graham Slater

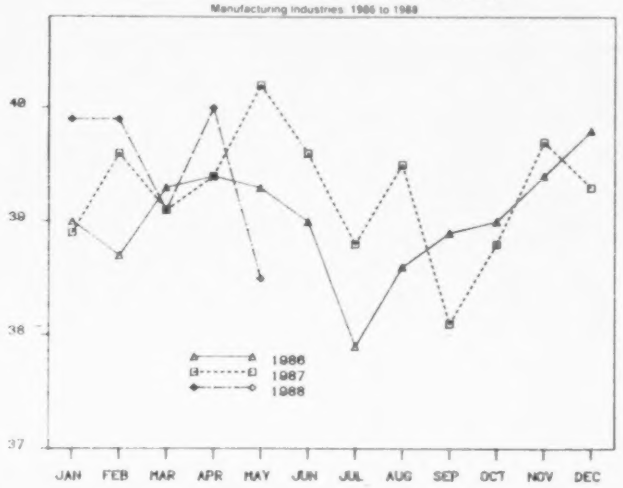
The unthinkable happened. With six hours left to "deadline" the article was not written, nor was the inspiration received. The only hope was to stare at the statistics until some hidden trend became apparent. None did. So this is an honest assessment of hours & earnings over the past month or so.

In a perfect world, statistics in practice would behave exactly as they do in theory. In that world, every article in a publication such as this would fit coherently with every other, all leading to one indisputable economic conclusion.

Unfortunately, that rarely happens in the real world. Hours & earnings statistics in 1988 provide an excellent example of this real world problem. While employment trends have been generally strong and consistent, hours & earnings have been bouncing around more than ever.

AVERAGE WEEKLY HOURS of WORKERS in OREGON

Manufacturing Industries: 1986 to 1988



AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	May[2] 1988	Apr.[3] 1988	May 1987	May[2] 1988	Apr.[3] 1988	May 1987	May[2] 1988	Apr.[3] 1988	May 1987
TOTAL MANUFACTURING[4]	$413.49	$430.00	$426.52	38.5	40.0	40.2	$10.74	$10.75	$10.61
Durable Goods	421.59	437.40	434.60	39.0	40.5	41.0	10.81	10.80	10.60
Lumber & Wood Products	414.79	445.40	443.27	38.3	40.9	41.7	10.83	10.89	10.63
Logging & Sawmills	438.42	474.30	471.86	37.6	40.4	41.5	11.66	11.74	11.37
Veneer & Plywood	417.30	457.73	434.24	39.0	42.5	42.2	10.70	10.77	10.29
Millwork & Structural	351.23	352.40	380.10	39.2	40.0	42.0	8.96	8.81	9.05
Mobile Homes	333.06	319.74	317.26	39.0	36.5	36.3	8.54	8.76	8.74
Other Wood Products	401.84	427.61	443.10	38.9	41.8	42.2	10.33	10.23	10.50
Furniture & Fixtures	348.13	263.27	295.26	40.2	30.9	33.4	8.66	8.52	8.84
Primary Metals	488.76	499.32	507.41	40.9	41.3	41.9	11.95	12.09	12.11
Fabricated Metals	385.23	390.74	380.95	38.6	40.2	40.1	9.98	9.72	9.50
Machinery (Ex Electrical)	441.34	454.90	436.40	39.3	40.4	40.0	11.23	11.26	10.91
Nondurable Goods	390.66	410.22	401.81	37.1	38.7	37.8	10.53	10.60	10.63
Food & Kindred Products	320.76	332.63	330.67	36.0	37.5	36.7	8.91	8.87	9.01
Canning & Preserving	255.13	270.85	268.93	34.2	36.9	34.7	7.46	7.34	7.75
Other Food Products	393.95	401.86	404.43	38.1	38.2	39.0	10.34	10.52	10.37
Textile Mill Products	238.38	247.73	235.06	34.8	36.7	35.4	6.85	6.75	6.64
Apparel	228.60	234.42	216.08	36.0	36.4	36.5	6.35	6.44	5.92
Paper & Allied Products	605.32	637.88	634.89	40.9	43.1	41.2	14.80	14.80	15.41
Printing & Publishing	420.55	433.50	419.75	34.9	36.8	36.5	12.05	11.78	11.50
Construction[4]	501.61	492.44	497.88	35.3	34.9	36.0	14.21	14.11	13.83
Communications & Utilities[5]	549.98	528.43	544.99	40.8	40.4	41.1	13.48	13.08	13.26
Trade[5]	295.27	305.55	295.83	33.9	35.0	34.6	8.71	8.73	8.55
Wholesale Trade	394.44	407.88	405.21	38.0	39.6	38.3	10.38	10.30	10.58
Retail Trade	244.22	252.65	242.72	31.8	32.6	32.8	7.68	7.75	7.40
Banking & Insurance[5]	328.70	343.77	320.05	36.2	38.8	38.7	9.08	8.86	8.27
State & Local Government	363.84	366.87	351.93						

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[1] Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

[2] Preliminary

[3] Revised

[4] Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

[5] Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

The main reason for the big swings appears to be the average weekly hours data. At the beginning of 1988, average weekly hours in manufacturing recorded 39.9 in both January and February, the best start to a year since 1966. Most durable goods manufacturers were working their employees overtime in order to keep pace with production goals. (This generally is considered a precursor to upcoming employment growth.) April also provided the best hours figure since the same month in 1966, this time reaching 40.0. Strangely, March and May provided vastly different trends, with hours worked falling to 39.1 and 38.5 respectively. The May figure is lower than that of one year ago. Looking at recent years' data, there appears to be no obvious seasonal reason why this drop should have occurred. But it was certainly widespread. Thirteen of the fifteen manufacturing industries for which data are published recorded declines in hours worked. There are no simple explanations for this downward movement. Perhaps an exhortation to watch this space closely is the best that can be done at this time.

Naturally, the drop in hours worked led to a substantial decrease in the average weekly earnings. The May level of $413.49 represented a $16.51 decline from April, a time of year when increases are expected.

The average workweek for construction workers in the first five months of 1988 surpasses the boom years of 1978 and 1979.

There is at least one definitive piece of information that can be gleaned from hours & earnings data so far this year. The average workweek for construction workers in these first five months surpasses the same time of year for the "boom" years of 1978 and 1979. Of course, employment levels have fallen dramatically since then, but the first five months of 1988 have provided the strongest start to a year's employment in seven years - the average employment level is 34,000 compared to 37,400 in 1981. Any resurgence in construction, which seems to be assured in 1988, will have important consequences for the entire economy. Construction workers in May earned more per hour and per week than any manufacturing workers except those in paper and allied products.

Watch the hours & earnings tables closely over the next couple of months. There may yet be a trend! ☐

NEW PER CAPITA INCOME COUNTY ESTIMATES FOR OREGON

Duane Ackerson

In April of this year, the U.S. Department of Commerce's Bureau of Economic Analysis (BEA) released revised local area per capita personal income estimates for 1969-84 along with new estimates for 1985 and 1986.

In all three years of the most current data (1984 revised, and the initial estimates for 1985 and 1986), Sherman County marched ahead in first place, though per capita income in that county dipped in the middle year (1984: $17,159; 1985: $15,360; 1986: $18,009). Malheur County brought up the rear (1984: $9,461; 1985: $9,468) for two years, till the last place laurels descended on Josephine County (1986: $9,841). In terms of rank, Columbia County (1984: 22; 1986: 29) showed the greatest decline, and Coos County (1984: 30; 1986: 22) the most improvement.

It is worth noticing not only the per capita income changes in terms of dollar amount and relative ranking from year to year for the various years of data, but also the changes resulting from the recent revision of earlier years' data. Let's use the most recent of these revised years, 1984, as our example.

The April 1988 revision left Morrow County showing the greatest dollar drop from the old 1984 figures to the revised ones(-$1,124). Under this revision, Sherman County came out with enough extra per capita income ($3,900) to cover round-trip plane fare to Atlanta for each resident. If we look at rank rather than dollar increase, Deschutes improved its rank the most, receiving a promotion from 22 to 12. Curry County was demoted from number 9 to number 16. Only four counties (Baker, Coos, Crook, and Lincoln) retained the same rank. ☐

PER CAPITA COUNTY INCOME RANKING, 1984
ORIGINAL & REVISED

County	Original 1984	Rank	Revised 1984	Rank	Chg. due to Rev	Rank*Chg. due to Revision
BAKER	$9,333	34	$9,894	34	$561	0
BENTON	$10,826	12	$11,985	7	$1,159	5
CLACKAMAS	$12,924	6	$13,829	4	$905	2
CLATSOP	$10,783	13	$11,467	10	$684	3
COLUMBIA	$10,610	16	$10,816	22	206	-6
COOS	$9,983	30	$10,359	30	$376	0
CROOK	$10,525	18	$11,054	18	$529	0
CURRY	$11,149	9	$11,106	16	($43)	-7
DESCHUTES	$10,337	22	$11,141	12	$804	10
DOUGLAS	$10,360	21	$10,723	23	$363	-2
GILLIAM	$13,788	2	$14,383	3	$595	-1
GRANT	$9,477	33	$10,131	31	$654	2
HARNEY	$10,279	25	$10,440	29	$161	-4
HOOD RIVER	$11,198	8	$11,508	9	$310	-1
JACKSON	$10,468	20	$10,899	21	$431	-1
JEFFERSON	$10,284	24	$10,450	27	$166	-3
JOSEPHINE	$8,661	36	$9,488	35	$827	1
KLAMATH	$9,885	32	$10,446	28	$561	4
LAKE	$10,514	19	$11,113	15	$599	4
LANE	$10,565	17	$11,140	13	$575	4
LINCOLN	$10,720	14	$11,131	14	$411	0
LINN	$10,032	29	$10,025	33	($7)	-4
MALHEUR	$8,779	35	$9,461	36	$682	-1
MARION	$11,029	10	$11,164	11	$135	-1
MORROW	$13,689	3	$12,565	6	($1,124)	-3
MULTNOMAH	$13,334	4	$13,586	5	$252	-1
POLK	$9,954	31	$10,612	24	$658	7
SHERMAN	$13,259	5	$17,159	1	$3,900	4
TILLAMOOK	$10,132	26	$10,053	32	($79)	-6
UMATILLA	$10,064	28	$10,543	26	$479	2
UNION	$10,108	27	$10,935	20	$827	7
WALLOWA	$10,305	23	$10,565	25	$260	-2
WASCO	$11,733	7	$11,847	8	$114	-1
WASHINGTON	$13,938	1	$14,492	2	$554	-1
WHEELER	$10,963	11	$11,098	17	$135	-6
YAMHILL	$10,647	15	$10,977	19	$330	-4
STATE	$12,011		$12,069		$58	

* Reflects April 1988 BEA revision of 1969-86 income series

EMPLOYERS' CORNER -- A WINNING COMBINATION

Dorothy Monnier

On July 1, 1988, Governor Neil Goldschmidt announced the kick-off of the 1988 Oregon Youth Conservation Corps (OYCC) program. This is the second year for this winning public/private partnership that matches young people with jobs. These jobs need to be filled, and the public work projects upon completion enhance the beauty of Oregon. These youths are doing work for government agencies that are too financially strapped to complete the necessary conservation projects. The purpose of the OYCC program is to foster personal development of Oregon's youths (ages 16-23 years old), improve employment skills, and cultivate an awareness of natural resource management.

Last year, donations from private contributions produced $140,000, enough to employ 90 youths in 16 counties. This year's donations from private contributors produced $250,000, which is employing 150 youths in 28 counties. An additional 200 youths will be put to work weatherizing homes of low income people around the State.

Additional funds from firms in the wood and paper products industries are still being received for special fire-related projects in the State's 12 forest protection districts. Donors apparently consider their contributions insurance against a repeat of last year's fire season that claimed two lives, destroyed more than $40 million worth of resources on state-protected forests alone, and blackened 240,000 acres throughout the State.

Oregon
YOUTH
CONSERVATION CORPS

The OYCC is an investment in Oregon's two most valuable resources---OUR YOUTH and OUR LAND.

The Oregon Youth Conservation Corps is a hallmark of the successful public/private partnership and is an integral part of the Governor's Children's Agenda. Most of all, the Corps provides Oregon youths an opportunity to gain work experience, earn a salary, and accomplish something meaningful for themselves and Oregon. The OYCC is an investment in Oregon's two most valuable resources --- OUR YOUTH and OUR LAND. It is an important step toward our goal to guarantee the children in every region of this state a greater chance for a decent life.

You can still be involved in this worthwhile program. Call Dorothy Monnier at 378-4446 for further details. ☐

JSEC SEMINAR

PREVENTING AND DEFENDING EMPLOYEE CLAIMS AND COMPLAINTS

Embarcadero, Newport, OR
August 9 . . . 9:00 AM to 3:00 PM
Call Ralph Evans or J. Bentley Bell, phone 265-8891

OREGON LABOR TRENDS

OREGON LABOR TRENDS is published monthly by the Research and Statistics Section of the Oregon Employment Division, W. E. Hunter, Administrator.

Send comments, questions, and address changes ATTN: Jeff Hannum, R&S-LMI or Phone (503) 378-2736 or toll free 1-800-237-3710 ext. 8-8657.

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DEPARTMENT OF HUMAN RESOURCES
875 UNION STREET N.E.
SALEM, OREGON 97311

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20814

9/21/88 SG615-2

OREGON LABOR TRENDS

AUGUST 1988

JULY INDICATORS

UNEMPLOYMENT RATE

Oregon		(Seas. Adj)
July	1988	5.9
June	1988	6.3
July	1987	5.8
U.S.		
July	1988	5.4
June	1988	5.3
July	1987	6.0

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1977=100	
July	1988	121.4
June	1988	120.6
May	1988	120.6
Apr.	1988	120.6
Mar.	1988	120.8

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon		
June	1988	$10.69
May	1988	$10.75
June	1987	$10.51

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon		
June	1988	39.3
May	1988	38.6
June	1987	39.6

CONSUMER PRICE INDEX (CPI)

1982-84=100
ALL URBAN CONSUMERS

Portland-Vancouver	
Jan.-June 1988	113.6
Yearly change	3.4%
Annual Average 1987	110.9
Yearly change	2.5%
U.S.	
July 1988	118.5
Yearly change	4.1%
Annual Average 1987	113.6
Yearly change	3.6%

Portland Hotline 221-4132

OREGON AND THE GREAT ENTERTAINMENT DROUGHT OF '88

Duane Ackerson

"Ah, sweet mystery of life at last I've found you..."

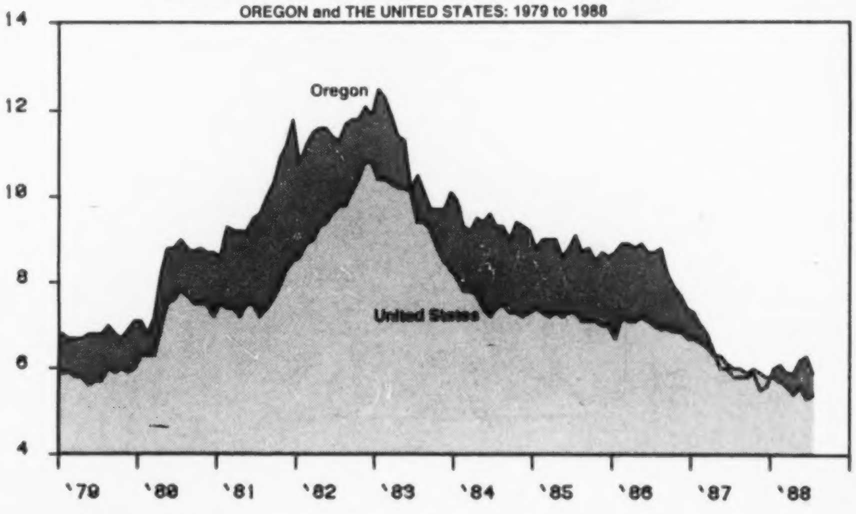
(from a Victor Herbert song, copyright expired)

In July, Oregon saw its seasonally adjusted unemployment rate fall by four-tenths of a point from 6.3 to 5.9 percent. The wage and salary employment index went up by eight-tenths of a point, the largest increase since the start of the year. Still, during a time bracketed by two strong positive indicators 4,900 Oregonians, including nurses at Kaiser and paperworkers at Smurfit, were involved in labor disputes. Perhaps this group can take heart, however, from the fact that the Hollywood screenwriters, after a five month strike, have settled. With the new television season less than two months away, these West Coast writers and their employers, the movie studios and television networks, reached agreement over what price tag to put on their art. Four to eight weeks will pass before most shows can even go into production. It's possible many new shows may appear about the same time as the Thanksgiving turkeys.

Art in America has estimated the value of yearly art sales in New York City at $850 million; however, entertainment and the arts take a large bite out of people's wallets in other places than the lands of the Big Sleep and the Big Apple. In a story in the August 10 Salem *Statesman-Journal*, Ron Cowan reports that the 1988 Art Fair in Salem produced total sales of $404,040. Since these sales generate $128,800 in income for the sponsoring Salem Art Association, money used in turn to finance non-profit activities, we can get some idea of the ripple effect of such events on an area. Though the association operates on a non-profit basis, the classes and exhibits it sponsors generate income for the artists who participate.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*

OREGON and THE UNITED STATES: 1979 to 1988



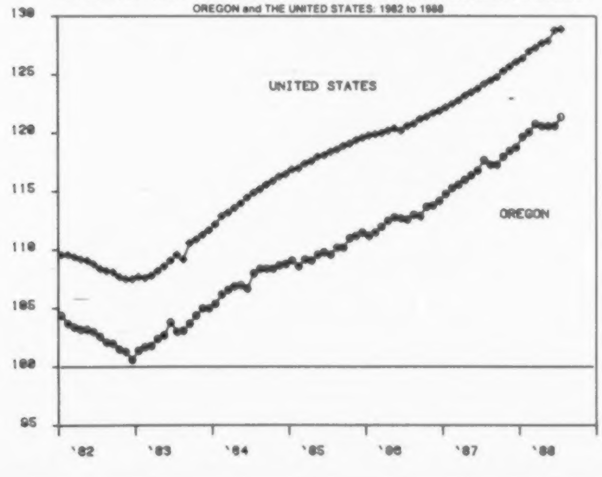
*Civilian Labor Force Only

Meanwhile, back to the O.K. TV Corral, where the shows are lowing fretfully, large price tags attached to their horns, waiting to be driven to market along the Old Scriptwriters' Trail. The recent dispute may well have triggered the Great Entertainment Drought of '88, to be felt in Oregon for as long as the other, current drought. This event suggests a topic infrequently discussed on these pages, despite the interest of the Oregon Economic Development Department in encouraging filmmaking in Oregon: the effect of the arts and entertainment industries on the economy of our State.

Before the recent settlement, the studios announced plans to eliminate the need for intelligent, or even unintelligent, writing; these included reviving old series by reshooting tried-and-true episodes with new casts, and remaking British shows with American actors. In the meantime, of course, there is the rerun. In the months while the entertainment folks try to pick up the ball and run again, it may appear in even hoarier guise than usual, looking more like the Ancient Mariner than several year old episodes of *MASH*. Viewers exposed to shows from the years predating their birth may develop a new appreciation of kinescope, with purists in years to come after the Great Entertainment Drought holding out for the superiority, the "grittiness," of early television filming over later videotape, as the present opponents of "colorization" seek to protect the purity of black and white.

Let's consider the impact on Oregon of the delay in the fall season. Extra pressure will be exerted on anyone else striking at the time to settle as soon as possible when faced with the prospect of weeks of *Gilligan's Island* with a new cast(aways). Though the networks have assured us they won't remake the "classics," who knows what desperation could do to people who have already brought us *The Gong Show*, and, however briefly, *My Mother The Car*? To continue: marriages on the brink could, during this period of tv and climatic drought, go over, taking legal business out of the State to the possible benefit of Nevada; bickering couples, desperate for something new in their lives, may seek out a Reno divorce if only to sample some live entertainment. We can expect video rental stores in the next few months to see land-office business. The cable franchises should also do well; more and more viewers may be weaned away to Showtime, HBO, and the Disney channels, and possibly even to the all weather and all health channels. All of which will benefit pizza parlors that deliver, take-and-bake pasta stores, and grocery stores wise enough, like most have been, to install delis. Ultimately, of course, the greatest beneficiaries a few months later will be health clubs and vendors of high protein diets. Some more farsighted tv viewers will bypass the video stores, cable franchises and delis, however, and go directly to the health spa without passing home (or the pizza palace). Movie theatres may also benefit, provided they have air conditioning. Summer movie releases, regardless of reviews and entertainment value, may turn out to be not only summer, but fall bonanzas as well, given the reduced competition. And since the arts and entertainment tend to be very labor intensive, the community merchants in general should benefit, with more people attending movies, live theatre, live concerts, live fashion shows, and even possibly, as desperation grows, queuing up for home and garden shows and vegematic demonstrations at state fairs. People may even go to libraries more, and buy more cars and bicycles to put more distance between themselves and the tv set.

SEASONALLY ADJUSTED NON-AG WAGE & SALARY EMPLOYMENT INDEXES
OREGON and THE UNITED STATES: 1982 to 1988



The economic value of the arts and entertainment is often undervalued.

The economic value of the arts and entertainment is often undervalued because no concrete, durable good is produced, or even a nondurable one like a hot dog. Still, a playgoer who has just "consumed" a play such as *Death of a Salesman* has something that will stay with him or her much longer than the caloric input of that weiner. An interesting aspect of an arts event, viewed from an economic perpective, is the relative impurity of the event. This is not "impurity" in the sense that Oliver Cromwell's government in 17th century England defined it, when it banned theatre altogether. Instead, what's implied here by "impurity" is the way in which many arts events are mixed media affairs, drawing not only on various forms of expression but on large dollops of commerce. Along with ticket sales, play performances also generate income from things like parking lots, refreshments sold at intermission, and the sale of food and beverages at various places near the performance. Babysitters are hired, boyfriends expend gasoline getting over to help the sitters sit, refrigerators are emptied, families return to the grocery store sooner than anticipated to restock the larder. Back at the theatre, people may purchase souvenirs such as audiotapes and sweatshirts in the lobby. Some playgoers may also buy paperback editions of the play at bookstores.

Much the same things, only perhaps more so, hold true for arts festivals like the Salem Art Fair or Portland Artquake, the latter of which, in particular, coordinates many of its events with local merchants. Today, as in Elizabethan times, the arts and commerce are frequently intertwined. Like today's tv writers, Shakespeare wrote for a mass audience, including enough physical action to hold his audience's attention for the flights into poetry. Produce vendors plied their wares through the aisles of the theatres then, just as vendors ply theirs in the lobby between acts, or less subtly during the commercial breaks between acts of a tv drama.

Other forms of entertainment may benefit from the tv drought. Those Oregon residents who are not total couch potatoes (this summer, "french fried" might be more apt) will probably also use the parks and eat out in greater numbers; the long tv drought should prove a boon to late summer and early fall tourism and recreation. In fact, tourism just had an exceptionally strong month in July; record employment levels were set by eating and drinking places, hotels and motels, and amusement and recreation businesses.

Comparatively long-term choices, triggered by the recent screenwriters' strike, may also result. In fact, before long we may see the demise, or at least the diluted influence, of network television. The present situation, from an historical perspective, resembles the prolonged ASCAP (American Society of Composers, Authors, and Publishers) dispute with the radio networks in the early 1940's. This resulted in the birth of Broadcast Music International and the loss of the songwriter as popular artist in favor of the songwriter either as part of an industry, studio and special-effect oriented, lowest common denominator based, or as alienated rebel within this scene. This time, though, the conglomerate may lose out. Networks need to reach as large an audience as possible. With the various cable networks luring off special audiences to all news, all health, and all advertising stations, they need to do so even more than in the past. However, that "mass" audience itself, or what's left of it, is aware of the other entertainment options, and less easily seduced. These other options, thanks to the long strike and its effect in the coming months, may grow even stronger. The networks may have difficulty regaining their pace, even after they can develop a season in the coming year. Quality will suffer, and the independents will benefit from the networks' loss.

Money spent on the arts and entertainment will stay more in the State.

The breakup of the Hollywood studio system by the fifties scattered U.S. filmmaking around the world. Since then, "independents" shoot scripts by sending crews where the cost of extras, studio space, or taxes are lower. Now, thanks to the new video technology and computer-assisted animation, it's easier for more video and filmmaking, whether special effects or films in toto, to go where the talent is. A screenwriter could live almost as readily in the Hollywood district of Portland as in the better known Hollywood, and telecommunicate or mail a floppy disk of a script to wherever the film is being produced. Entertainment and the arts in this country, and in the State, are becoming more decentralized; the network writers' strike is just one event that may impact on this process. Theatre, too, has moved in recent years from a Broadway to a regional focus. The effect of this process: money spent for arts and entertainment in Oregon, and elsewhere, will tend to stay more in the individual community and state, generating additional multiplier effects thanks to the labor intensive nature of the industries most likely to benefit. The artist with something fresh to say may also have greater access to the means to say it, too.

One thing that can be copied, but never duplicated, is the live performance.

This decentralization may be fairly gradual, and may not bring about exactly a renaissance in the arts or the economy in Oregon, but it may at least have positive impact, not just in the uncertain year the networks face, but well into the future. In Portland, Will Vinton's Claymation studio is one example of this decentralization, with animated films not only being shot in whole or part in this State, but totally created in Oregon. Vinton has enjoyed both artistic and commercial success, with Oscars for short films, popular commercials (The California Raisins), and a recent television special to his credit. Other evidence of this trend: the announced plans (Aug. 10 *Daily Journal of Commerce*) of Oregon Film Partners to build an $8 million film studio in St. Johns in 1989.

One aspect of the new video and computer technology is both exciting and disturbing: the matter of duplication. Since the development of the reel-to-reel tape recorder in the 1940's, the ease with which artists' performances can be duplicated without royalty payment has increased. This process continued through cartridges, audio cassettes, and videotape. Erasable compact audio or video disks on which vast amounts of data, text, or performances can be stored may be next. Such compact disks could increase the "time shifting" advantages of videotape and VCR's many fold. One future scenario might involve someone, armed with a home video compact disk recorder, recording an entire tv season for future use. Later, he might browse through recorded shows much like library books, deciding which shows/episodes to view. Obviously, having a great many viewers exercise this much selectivity defeats the intent of advertisers, which is to encourage viewers to consume now, not after returning from a two year Peace Corps stint in Gabon to see what's happened in the world of entertainment in the past 730 days. It also works havoc with ratings and the suspense value inherent in newscasting ("Tune in tomorrow to see if the world's still here.").

Approximately 70 years ago, after hearing some of his show songs performed in a cafe without his receiving any royalty, Victor Herbert helped found ASCAP to protect the performance rights of composers and lyricists in this country. What will protect the artist from what's to come? Well, one thing that can be copied, but never totally duplicated, will remain the live performance. Since the artist can only be at one place at a time, supply and demand may make the personal appearance his mainstay, just as it was in the time of the showboat and the chautauqua, when entertainment and the arts travelled to you: Mark Twain, on a worldwide speaking tour; Edwin Booth, playing Julius Caesar to the mining camps.

No matter how famous the performing artist, a recording or video will serve more as a flyer to announce the artist's existence and capabilities than as a source of income. The interpretive artist's income will derive, whether she or he appears locally or around the country, mainly from the live performance. At the Mt. Hood Jazz Festival, artists in one field, most of them national figures, pool their talents. The Portland Artquake and Salem Art Fair show how regional artists can collectively market their wares. Regrettably, these collective events are exceptions, occasional bright spots in most artists' careers. In most cases, unless the artist (let's say "writer") doubles as performer, or the performer as writer, economic success in the midst of these changes will be, as usual, elusive.

Perhaps the economic lot of the artist will improve when we realize how interconnected everything is; one thing the arts do is keep reminding us of this truth. The author's 11th grade chemistry teacher used to stand before the class in a lab smock often stained with tannic acid and recite a poem she'd encountered somewhere:

All things by immortal power
near and far

Hiddenly to seek each other
so linked are

That thou canst not stir a flower

Without the troubling of a star.

These lines are apt ones for people, whether they are scientists, artists, economists, or grass seed growers, to keep in mind. ☐

RESIDENT OREGON LABOR FORCE

	JUL.[1] 1988	JUN.[2] 1988	CHANGE	%CHANGE	JUL.[5] 1987
CIVILIAN LABOR FORCE[3]	1,431,000	1,454,400	-23,400	-1.6	1,399,700
UNEMPLOYMENT	79,200	84,600	-5,400	-6.4	76,300
PERCENT OF LABOR FORCE	5.5	5.8	XXX	XXX	5.5
SEASONALLY ADJUSTED PERCENT	5.9	6.3	XXX	XXX	5.8
TOTAL EMPLOYMENT[4]	1,351,800	1,369,800	-18,000	-1.3	1,323,400

[1] *Preliminary.*

[2] *Revised.*

[3] *Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting.*

[4] *Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants.*

[5] *Due to revised estimating procedures between December 1987 and January 1988, data for 1988 and that of previous years are not strictly comparable.*

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (BY PLACE OF WORK)

				CHANGE FROM	
INDUSTRY	JUL.[1] 1988	JUN.[2] 1988	JUL. 1987	JUN. 1988	JUL. 1987
TOTAL[3]	1,134,600	1,147,900	1,096,500	-13,300	38,100
WAGE & SALARY EMPLOYMENT INDEX[4]	121.4	120.6	117.3	XXX	XXX
TOTAL MANUFACTURING	216,400	211,200	215,000	5,200	1,400
DURABLE GOODS	156,300	152,900	152,200	3,400	4,100
LUMBER & WOOD PRODUCTS	68,000	67,700	70,400	300	-2,400
LOGGING & SAWMILLS	34,400	34,300	36,400	100	-2,000
VENEER & PLYWOOD	16,700	16,700	18,000	0	-1,300
MILLWORK & STRUCTURAL WOOD	11,400	11,300	10,600	100	800
MOBILE HOMES	1,700	1,600	1,500	100	200
OTHER WOOD PRODUCTS	3,800	3,800	3,900	0	-100
FURNITURE AND FIXTURES	2,500	2,600	2,500	-100	0
STONE, CLAY, GLASS & CONCRETE	3,900	3,700	3,600	200	300
PRIMARY METALS	10,400	10,300	9,400	100	1,000
BLAST FURNACES, IRON & STEEL	6,100	6,000	5,600	100	500
NONFERROUS METALS	4,300	4,300	3,800	0	500
FABRICATED METALS	11,200	10,900	10,500	300	700
FABRICATED STRUCTURAL METALS	5,000	4,800	4,700	200	300
OTHER FABRICATED METALS	6,200	6,100	5,800	100	400
MACHINERY	16,200	15,900	15,500	300	700
ELECTRICAL EQUIPMENT & SUPPLIES	15,100	14,900	13,500	200	1,600
TRANSPORTATION EQUIPMENT	13,800	11,500	11,500	2,300	2,300
INSTRUMENTS & RELATED PRODUCTS	11,800	11,900	12,100	-100	-300
MISCELLANEOUS MANUFACTURING	3,400	3,500	3,200	-100	200
NONDURABLE GOODS	60,100	58,300	62,800	1,800	-2,700
FOOD & KINDRED PRODUCTS	25,400	23,400	29,500	2,000	-4,100
CANNING & PRESERVING	14,300	12,400	18,400	1,900	-4,100
OTHER FOOD PRODUCTS	11,100	11,000	11,100	100	0
TEXTILE MILL PRODUCTS	1,900	1,900	1,800	0	100
APPAREL	2,900	2,900	2,500	0	400
PAPER & ALLIED PRODUCTS	9,100	9,300	9,400	-200	-300
PRINTING & PUBLISHING	13,400	13,500	12,600	-100	800
CHEMICALS & ALLIED PRODUCTS	2,200	2,100	2,100	100	100
PETROLEUM REFINING	500	500	500	0	0
RUBBER & PLASTIC PRODUCTS	4,300	4,300	3,900	0	400
LEATHER PRODUCTS	400	400	500	0	-100
TOTAL NONMANUFACTURING	918,200	936,700	881,500	-18,500	36,700
MINING & QUARRYING	1,500	1,400	1,500	100	0
CONSTRUCTION	39,900	38,900	37,800	1,000	2,100
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	59,400	59,700	58,600	-300	800
TRANSPORTATION	37,700	38,100	37,000	-400	700
RAILROAD	3,800	3,900	3,900	-100	-100
TRUCKING & WAREHOUSING	22,000	21,800	21,500	200	500
OTHER TRANSPORTATION	11,900	12,400	11,600	-500	300
COMMUNICATIONS	12,800	12,700	12,700	100	100
UTILITIES	8,900	8,900	8,900	0	0
TRADE	296,500	293,100	279,000	3,400	17,500
WHOLESALE TRADE	74,500	73,400	69,900	1,100	4,600
DURABLE GOODS	44,300	43,800	41,000	500	3,300
NONDURABLE GOODS	30,200	29,600	28,900	600	1,300
RETAIL TRADE	222,000	219,700	209,100	2,300	12,900
GENERAL MERCHANDISE	28,100	27,600	26,800	500	1,300
FOOD STORES	37,800	36,800	34,300	1,000	3,500
AUTO DEALERS & SERVICE STATIONS	27,700	27,300	26,900	400	800
OTHER RETAIL TRADE	128,400	128,000	121,100	400	7,300
FINANCE, INSURANCE, & REAL ESTATE	75,000	74,600	73,100	400	1,900
BANKING & CREDIT AGENCIES	24,500	24,300	23,800	200	700
OTHER FINANCE, INSURANCE, & REAL ESTATE	50,500	50,300	49,300	200	1,200
SERVICES	254,500	253,000	243,600	1,500	10,900
HOTELS & PERSONAL SERVICES	28,100	27,700	27,300	400	800
HEALTH SERVICES	77,400	78,000	75,000	-600	2,400
OTHER SERVICES	149,000	147,300	141,300	1,700	7,700
GOVERNMENT	191,400	216,000	187,900	-24,600	3,500
FEDERAL GOVERNMENT	31,800	31,600	31,200	200	600
STATE GOVERNMENT	56,000	60,400	54,200	-4,400	1,800
EDUCATION	20,600	25,600	19,800	-5,000	800
OTHER STATE	35,400	34,800	34,400	600	1,000
LOCAL GOVERNMENT	103,600	124,000	102,500	-20,400	1,100
EDUCATION	56,300	77,500	56,300	-21,200	0
OTHER LOCAL	47,300	46,500	46,200	800	1,100
LABOR – MANAGEMENT DISPUTES	4,900	2,400	100	2,500	4,800

[1] *Preliminary.*

[2] *Revised.*

[3] *Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. Note: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.*

[4] *Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's Annual Average Employment (774,300) and that of 1977 (936,900).*

AVERAGE EARNINGS UNAFFECTED BY STRIKES

David Cooke

Ongoing labor-management disputes in the Northwest have left thousands of lumber & wood products workers without their usual paychecks. Instead of earning a typical weekly wage of $430, each worker takes home $100 from union strike funds. How has this drop in earnings affected the hours and earnings statistical series?

In the June survey week, when employment statistics were reported, 2,300 lumber & wood products workers were on strike in Oregon. The majority (1,200) were in veneer & plywood. Looking at veneer & plywood, the average weekly earnings increased slightly from May ($414.57) to June ($426.53). Even though 7% of the employees in veneer & plywood were on strike, the average weekly earnings did not drop.

The reason for this is that striking workers are excluded from the Current Employment Statistics counts. During a strike fewer dollars are paid, fewer hours are worked, and fewer workers are counted as employed. Total earnings in the industry dropped, but average earnings per worker did not.

Strikes mainly affect the hours and earnings statistics by altering the proportion of workers in one industry compared to another. Specifically, 2,300 fewer workers were employed in lumber & wood products in June, giving this industry a smaller proportion of total manufacturing employment. Consequently, average hours and earnings in manufacturing were weighted less by lumber & wood products and more by other manufacturing industries not affected by strikes.

In June, since average weekly earnings for lumber & wood products ($428.97) was quite close to the manufacturing average ($420.12), the reduced proportion of lumber & wood products workers had little impact on average weekly earnings . ☐

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	June[2] 1988	May[3] 1988	June 1987	June[2] 1988	May[3] 1988	June 1987	June[2] 1988	May[3] 1988	June 1987
TOTAL MANUFACTURING[4]	$420.12	$414.95	$416.20	39.3	38.6	39.6	$10.69	$10.75	$10.51
Durable Goods	429.44	421.98	424.51	39.8	39.0	40.2	10.79	10.82	10.56
Lumber & Wood Products	428.97	416.57	430.66	39.5	38.5	40.4	10.86	10.82	10.66
Logging & Sawmills	459.42	443.05	461.62	39.0	37.9	40.6	11.78	11.69	11.37
Veneer & Plywood	426.53	414.57	412.57	39.9	39.0	39.9	10.69	10.63	10.34
Millwork & Structural	367.28	350.95	371.18	40.9	39.3	40.7	8.98	8.93	9.12
Mobile Homes	335.05	333.06	322.71	38.6	39.0	37.7	8.68	8.54	8.56
Other Wood Products	389.78	402.87	423.46	38.9	39.0	40.6	10.02	10.33	10.43
Furniture & Fixtures	305.87	335.43	359.25	35.9	38.6	37.5	8.52	8.69	9.58
Primary Metals	513.28	506.20	503.58	41.9	41.8	42.0	12.25	12.11	11.99
Fabricated Metals	393.16	383.30	371.62	40.2	38.6	39.2	9.78	9.93	9.48
Machinery (Ex Electrical)	440.67	440.22	442.90	39.7	39.2	40.3	11.10	11.23	10.99
Nondurable Goods	393.78	391.65	393.68	37.9	37.3	38.0	10.39	10.50	10.36
Food & Kindred Products	320.78	321.71	323.19	37.3	36.6	37.8	8.60	8.79	8.55
Canning & Preserving	261.32	259.39	275.28	36.6	35.1	37.2	7.14	7.39	7.40
Other Food Products	398.15	396.29	404.42	38.1	38.4	38.7	10.45	10.32	10.45
Textile Mill Products	242.45	240.08	236.74	34.1	35.1	35.6	7.11	6.84	6.65
Apparel	228.51	228.60	226.56	36.1	36.0	38.4	6.33	6.35	5.90
Paper & Allied Products	634.03	619.15	628.89	42.1	40.6	40.6	15.06	15.25	15.49
Printing & Publishing	406.46	421.70	419.58	35.1	35.2	35.2	11.58	11.98	11.92
Construction[4]	536.69	504.77	489.24	37.4	35.2	36.0	14.35	14.34	13.59
Communications & Utilities[5]	530.13	546.19	538.24	41.0	40.7	40.9	12.93	13.42	13.16
Trade[5]	305.36	299.00	291.56	34.7	33.9	34.1	8.80	8.82	8.55
Wholesale Trade	402.72	400.00	394.63	38.1	37.7	37.3	10.57	10.61	10.58
Retail Trade	255.09	244.86	242.54	33.0	31.8	32.6	7.73	7.70	7.44
Banking & Insurance[5]	333.61	328.70	308.30	37.4	36.2	37.1	8.92	9.08	8.31
State & Local Government	364.49	363.28	351.20						

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[1] *Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.*

[2] *Preliminary*

[3] *Revised*

[4] *Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.*

[5] *Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.*

GETTING READY FOR THE NEW JOBS

David Allen

Oregon's economy is expected to create over 38,000 new jobs in 1988. That's a lot of jobs in a new economy that is adjusting to world competition, international labor markets, de-regulation, and major technological changes in the work place. As these career choices expand, why is it often so hard to find a good-paying job? Or to ask the question from the employer point of view, why is it so hard to find qualified job applicants?

Basically, the answers to these questions involve both economic and population changes that are affecting all of our work lives. Put simply, while the new economy is demanding workers with more job skills, the number of new job seekers with these skills is shrinking. This mismatch is creating a climate of confusion and a search for answers. How can we get ready for this new economy? Is there an answer that would ensure economic and labor market success for all of us concerned with adjusting to this new economy?

One answer seems to be an old answer, more education for all! However, this simple answer is not as easy or as straightforward a solution as it would seem. In this article, some of the data linking education to the economy and employment success will be reviewed. In addition, some of the problems this solution poses for our society will be discussed.

EDUCATION LEVELS OF THE U.S. WORK FORCE, 1967-87 (in percent, age 25-64)

	LABOR FORCE SHARE IN:		
Education Level	1967	1979	1987
Less than 4 Years of High School	41.1	21.9	14.9
4 Years of High School	35.2	39.6	40.2
1 to 3 Years of College	10.6	17.3	19.7
4 Years of College or more	13.2	21.3	25.3
Total (ages 25-64)	100.0	100.0	100.0

NOTE: Percentages calculated for March of years indicated.

SOURCE: Monthly Labor Review, Vol. III, No. 1, January 1988.p.4

U.S. WORKERS BECOMING MORE EDUCATED

The educational level of the U.S. work force has been climbing sharply since 1967. In 1967, 41 percent of the adult labor force age 25-64 had less than four years of high school. By 1987, that percentage had dropped to about 15 percent. Over this same period, high school, community college, and college educational levels all increased in the work force. Indeed, by 1987, 25 percent of adult workers had completed four or more years of college, versus only 13 percent in 1967.

COLLEGE GRADS ARE IN WORK FORCE

College graduates have the highest levels of labor force participation of any group of workers regardless of race or sex. Overall, 88 percent of all college graduates are in the labor force. College-educated women, for example, have a labor force participation rate of 80.3 percent and now represent 40 percent of all college-educated workers.

U.S. OCCUPATIONAL/EDUCATIONAL DISTRIBUTION 1987

OCCUPATION	% LESS THAN HIGH SCHOOL	% 1 to 3 YEARS OF COLLEGE	% 4 OR MORE YEARS OF COLLEGE
Managers	4.6	23.1	47.0
Professional	.8	14.1	76.4
Technical	2.9	34.3	33.2
Sales	7.9	24.1	27.0
Clerical	5.3	27.8	12.6
Service	25.8	18.0	7.4
Production	22.0	18.2	6.3
Operatives & Laborers	32.8	12.3	3.9
Farm, Forestry & Fishing	34.3	13.1	8.3

SOURCE: Bureau of Labor Statistics, Education and Labor Mark Success, September 28, 1987

COLLEGE MAKES THE OCCUPATIONAL DIFFERENCE

Educational differences in the work force are reflected in the occupational distribution of the U.S. economy. College graduates are heavily concentrated in managerial and professional specialty occupations while persons with less than a high school education are almost all concentrated in non-professional service, production, and laboring occupations. This relationship between education and occupational distribution is an important one since the occupational skill mix of the economy is shifting towards the professional/technical occupations. The actual number of job opportunities for persons of limited education is being reduced. For example, between 1972 and 1987, occupations with comparatively high proportions of workers with four or more years of college grew, while those with low ratios of college graduates declined.

THE OCCUPATIONS OF THE FUTURE 1984-2000 WILL REQUIRE MORE EDUCATION

	CURRENT JOBS	NEW JOBS
TOTAL	100%	100%
8 Years or less	6%	4%
1-3 Years of High School	12%	10%
4 Years of High School	40%	35%
1-3 Years of College	20%	22%
4 Years of College	22%	30%
Median Years of School	12.8 yrs.	13.5 yrs.

SOURCE: WorkForce 2000 (a publication name), Hudson Institute, 1987, p. 98

These data also show that occupational mobility of workers lacking at least some college training is likely to be very limited. The future will most certainly continue these trends. Approximately 52 percent of all new jobs created by the year 2000 will require training beyond high school.

EDUCATION VITAL FOR PROMOTION

A 30 year study of management success (Management Progress Study, Journal of Applied Psychology 1987) found that a college degree was also vital for promotion. The study began in 1956 with employees of American Telephone & Telegraph. The purpose of the study was to explore the relationship between education and job performance and promotion. In a nutshell, a college degree had a strong impact on whether the subjects were promoted into managerial jobs. Humanities and social science majors did much better going up the career ladder than did engineers, math, and science majors. The ability of the humanities and social science majors to adapt and be flexible seemed to be key reasons for their success.

However, technical majors often are in more demand and earn higher starting salaries than do humanities and social science majors. The message seems clear. Since both technical and liberal arts skills are required, students should get the most well-rounded educational experience they can.

EDUCATION PAYS

The value of education can also be looked at in terms of income. Does it pay to graduate from college? The graph showing the ratio of income of college graduates to income of high school graduates from 1970 to 1985 provides insight into this question. Although college graduates consistently made more money between 1970 and 1979 than did their high school counterparts, the ratio of college to high school income actually dropped during the 70's. College graduates lost relative economic ground during this period as the supply of college graduates increased, and the demand was soft. In fact, during the 70's there was talk of the U.S. having an over-educated work force. The unemployment rate for college graduates went up, and many had to take jobs that did not require advanced training.

As the graph shows, the 1980-1982 recession abruptly turned the economic tide. Employers facing increasing competition had to cut labor costs by reducing the pay for production and laboring jobs and by automating the workplace. They also needed a more educated work force in order to take advantage of new technologies. Consequently, by 1985, college graduates again earned an average of 38 percent more than high school graduates!

MORE EDUCATION MEANS LESS UNEMPLOYMENT

The unemployment rate for high school and college graduates over time also indicates the value of education. As the 1967 to 1986 graph shows, the gap in unemployment between high school and college-trained workers has grown with each recession. High school graduates experienced a much larger increase in their rate of unemployment during recessions and only a slightly larger unemployment rate decrease during recovery periods. Overall, the picture clearly points to labor market success being dependent upon the educational attainment of workers.

With all the above data pointing to education as the key to success in the new economy, what problems does this pose for our society? While any complete answer to this question would require several volumes of careful analysis, a number of points related to labor market issues stand out and deserve mentioning here.

EDUCATIONAL DIFFERENCES BREED INEQUALITY

In 1985, the U.S. spent eight percent of the Gross National Product on education, 13 percent if corporate training costs are included. In dollar figures, this is somewhere between $300-500 billion with the corporate share being estimated anywhere between $30-200 billion. The figures are large, but not precise! For all the money spent, it is difficult, some say impossible, to measure in any precise way the quality of output. In addition, large groups of people fall through the cracks in the educational system. In this context, there are some serious concerns being raised about the future quality of the labor force. For example:

- There is approximately a 25 to 30 percent dropout rate from high school. A variety of studies also point out that there are serious basic skill deficiencies of many of those who graduate. Employers are complaining that entry level workers can't read or solve simple math problems.

Education is the key to labor market success.

- Retraining of the work force to meet increasing world competition is an increasingly important topic to employers and workers alike. However, traditional approaches to retraining may reinforce rather than lessen inequality. Short-term training programs often provide a quick job but do little to solve basic education deficiencies. And technical training, even long-term, may become quickly outdated leaving students again unemployed. It should also be noted that people with good educations and high incomes represent the majority of all those engaged in adult education and training. For example, in 1984 one-third of all people with more than five years of college participated in adult education, as opposed to only two percent of people with less than nine years of schooling. Studies also indicate that businesses often spend training dollars on employees already well-trained. The productivity payoff, at least short-term, seems to favor retraining the already educated employee.

- The number of illiterate Americans is estimated at between 20 and 60 million, and workplace literacy problems are rapidly becoming a labor crisis. In addition, thousands of older workers displaced by new technology now lack the required basic literacy and mathematical skills to find new jobs.

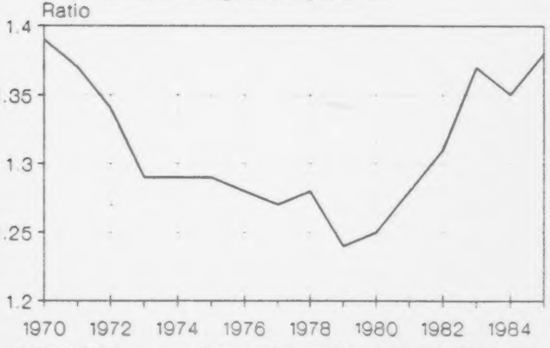
- Inequality in educational levels may lead increasingly to inequality in incomes between major segments of our society. Most of the new job seekers entering the work force during the next two decades will be women, minorities, and other groups that have often been poorly served by the educational system. As has been well documented, most of the new jobs will require more than a high school education. The potential unemployment, economic, and social problems stemming from this mismatch are obvious.

WE MUST GET READY

Education is the key to labor market success and to our ability to stay competitive in a world economy. Those with more education have greater employment opportunities, make more money, advance further up the career ladder, suffer the least unemployment, and have greater access to even more education. For a variety of reasons, not all of us share equally in the successes education can offer. To make the promise of education a full partner in the new economy and worklife will require considerable effort from all of us. It's time to start. We must all get ready for the new and changing world of work! ☐

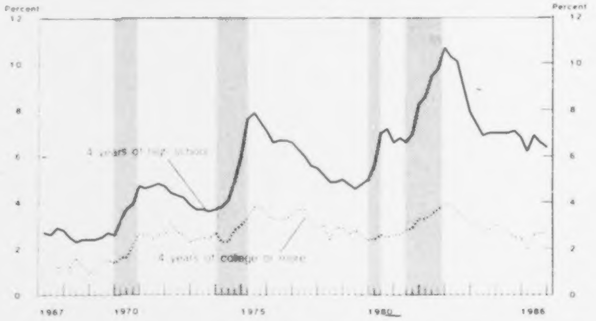
Does it Pay To Graduate From College?

(ratio of income of college graduates to income of high school graduates)



SOURCE: U.S. Department of Education, Center for Education Statistics, *The Condition of Education* (Washington, DC: U.S. Government Printing Office, 1986), table 2:3

Unemployment rates for high school and college graduates, 1967-1986, seasonally adjusted



NOTE: Shaded areas indicate recessions, as designated by the National Bureau of Economic Research.

SOURCE: **Monthly Labor Review**, Vol. III, No. 1, January 1988

EMPLOYERS' CORNER-PREPARING FOR THE FUTURE:

Dorothy Monnier

The relationship between the Mid-Willamette Jobs Council, the Salem Local Employment Division office, and the Salem Job Service Employers' Committee (JSEC) is more than a partnership.

It is the epitome of what can occur when business and government work together in developing new ways of conducting business.

Three years ago, at the request of the Salem JSEC, Bob Bill, Director of the Mid-Willamette Jobs Council, and Neil Puckett, Manager of the Salem Local Employment Division office, were concerned about the number of youth who did not meet the low income requirements for subsidized summer youth employment, but who were still in need of summer jobs.

Two weeks later, the Community Youth Employment (CYE) Program was born and in operation. Local school districts, businesses and elected officials were brought into the project. These folks donated goods, services, and support for the newly-created program. The Mid-Willamette Jobs Council donated the services of Gin Denison, Jobs Council Marketer, and the Employment Division donated one staff person full-time to operate the project. Youth counselors were hired through the Jobs Council Summer Youth Employment Program and the Employment Division provided the training and supervision.

In its first year of operation, over 1,400 youth were placed in summer jobs in the Salem-Keizer area. Last year, the project branched out into North Marion, Polk, and Yamhill counties. Approximately 2,600 youth found summer work. As of this writing, about 900 youth have been placed this year. The State Fair hiring push is on which means another 1,500 jobs to be filled. The concern of both agencies is that there may not be enough youth to fill all of the available job orders.

The Jobs Council and the Salem Employment Division Local Office both received national recognition at the National Association of Counties (NACO) Conference in 1987 for demonstrating the meaning of a true partnership.

The Community Youth Employment Project is a prime example of what can happen when you get business and government working together. □

JSEC SEMINARS

DISCHARGE WITHOUT DISCRIMINATION
Elks Lodge, Klamath Falls
Sept. 13th . . . 8:00 AM to 1:30 PM
Call Roger Rutlede or
Hilliard Blanchard, phone 883-5643

ENERGIZING YOUR WORKFORCE
Elks B.P.O.E. Lodge, Hillsboro
Sept. 15th . . . 7:30 AM to 12:00 PM
Call Lee Jones, phone 681-0210

ENERGIZING YOUR WORKFORCE
Holiday Inn, Wilsonville
Sept. 20th . . . 7:15 AM to 11:30 PM
Call Cathie Moravec, phone 657-2078
or Larry Liebe, phone 657-2074

LMI DIRECTORY NOW AVAILABLE

Where can you find the average wage of an occupation in Oregon? What publications provide an economic analysis of 14 Oregon regions? Who is the Employment Division's regional economist in your area? The updated Labor Market Information (LMI) Directory answers these questions and more.

The LMI Directory covers available LMI services, descriptions of publications, whom to call for information, regional economists, Employment Division offices, selected Economic Development Department publications and other published sources of related information.

Request your copy of the LMI Directory, at no charge, by calling Research and Statistics at 378-8657 or by writing to:

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875 Union Street N.E.
Salem, Or. 97311
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OREGON LABOR TRENDS

OREGON LABOR TRENDS is published monthly by the Research and Statistics Section of the Oregon Employment Division, W. E. Hunter, Administrator.

Send comments, questions, and address changes ATTN: Jeff Hannum, R&S-LMI or Phone (503) 378-2736 or toll free 1-800-237-3710 ext. 8-8657.

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OREGON LABOR TRENDS

INDICATORS

UNEMPLOYMENT RATE

Oregon (Seas. Adj.)

Aug.	1988	6.1
July	1988	5.9
Aug.	1987	5.8

United States (Seas. Adj.)

Aug.	1988	5.6
July	1988	5.4
Aug.	1987	6.0

WAGE AND SALARY EMPLOYMENT INDEX

Oregon (1977 = 100)

Aug.	1988	122.1
July	1988	121.5
June	1988	120.6
May	1988	120.6
Apr.	1988	120.6

PRODUCTION WORKER AVERAGE HOURLY EARNINGS

Oregon

July	1988	$10.75
June	1988	$10.65
July	1987	$10.44

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon

July	1988	39.0
June	1988	39.4
July	1987	38.6

CONSUMER PRICE INDEX (CPI)

1982-84 = 100
ALL URBAN CONSUMERS

Portland-Vancouver

Jan.-June 1988	113.6
Yearly change	3.4%
Annual Average 1987	110.9
Yearly change	2.5%

United States

Aug. 1988	119.0
Yearly change	4.0%
Annual Average 1987	113.6
Yearly change	3.6%

Portland Hotline 221-4132

ECONOMY HEALTHY DESPITE INCREASE IN UNEMPLOYMENT RATE

Linda Burgin

Oregon's seasonally adjusted unemployment rate rose to 6.1 percent in August, up 0.2 from July. The national unemployment rate also rose 0.2 in August, reaching 5.6 percent. Compared with August 1987, the current Oregon rate is up 0.3 while the national rate is down 0.4.

Abnormal levels of seasonal agricultural employment accounted for the slight increase in the unemployment rate from July to August 1988. A late cherry harvest led to the loss of about 6,000 seasonal jobs in August. Normally, seasonal employment peaks in June and then declines by about 3,000 jobs in both July and August. The large drop in agricultural employment pushed August's unemployment rate up. Had employment gone down normally, the seasonally adjusted unemployment rate would have been unchanged in August.

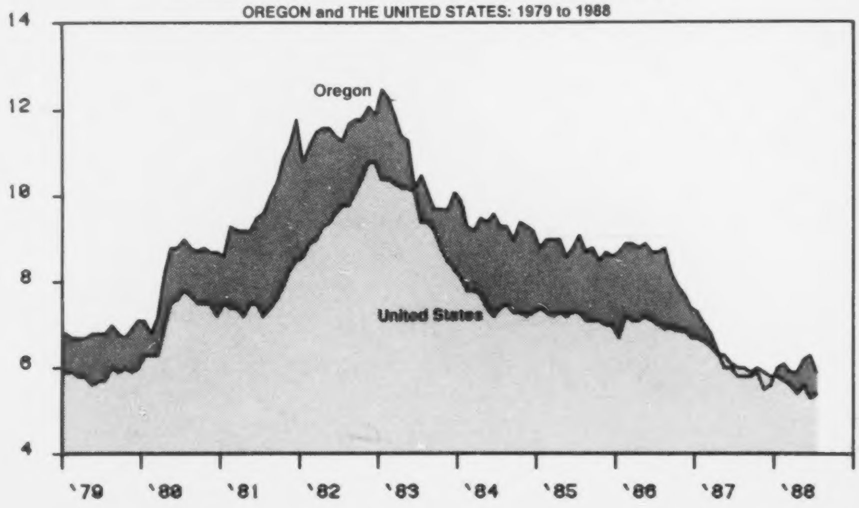
Total nonagricultural payroll jobs were up 12,100 from July, and up 46,200 from August 1987. This increase in jobs is occurring in several economic sectors, indicating that Oregon is continuing to diversify--a sign of a healthy economy.

The Employment Division's monthly survey of Oregon employers indicates that most industries performed roughly as expected for this time of year while some, such as food processing and services, far exceeded the August norm. The nonagricultural wage and salary employment index (a measure of "real", not seasonal, changes in the number of jobs) rose by 0.6 to 122.1. This is a record level and represents the second consecutive large increase in the index following several months of inactivity.

Significant activity in food and kindred products reflected seasonal processing of fruits and vegetables. Food products employment jumped by 6,000, approximately 2,500 more than expected.

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*

OREGON and THE UNITED STATES: 1979 to 1988



*Civilian Labor Force Only

Total manufacturing employment rose 3,000 more than expected, while nonmanufacturing industries added 2,800 more jobs than normal in August. Analysts predict that both the manufacturing and nonmanufacturing sectors will record growth rates in excess of 3 percent in 1988.

Oregon's trade industry added 2,600 jobs in August, while services added 2,000. While the trade increase was exactly as expected, the services growth came at a time of year when a drop of 200 would be normal. Hotels and other lodging places added 300 jobs, as did business services. Health services, following a 300 employment drop in July, added 1,000 new jobs in August. The record 78,700 health care employees represents almost one-third of Oregon's services industry workers.

Strikes and forest fires combined to restrict employment levels across the lumber and wood products industry. Logging employment, just starting to recover from the secondary effect of strikes, began to record job losses due to existing fires or the threat of fire. The net result for logging was a 200 job drop, rather than the seasonally expected 300 increase. Sawmills and veneer/plywood added 200 jobs each, largely due to labor dispute resolution. At the time of the August survey, some workers were returning to the mills, increasing industry employment by 500. However, August employment statistics show about 3,800 labor disputants. The majority of the strikers were in the wood products industry.

According to U.S. Bancorp's **Northwest Business Barometer**, "The strikes are in a sense a reflection of the strength in the Northwest--and the performance of the industry during the expansion."

While the effect of the strikes may be almost over, forest fires and logging area closures are likely to cut heavily into future logging employment. Two significant bright spots in the industry are millwork, which had a record 11,500 employees in August, and mobile homes, where three successive months of growth have raised employment to 1,800, a level not reached for several years.

Before the **Oregon Labor Trends** Editor went on vacation last week to the Hells Canyon National Recreation Area, and the Eagle Cap and Strawberry Wilderness Areas, he provided me with several lumber/logging/forest-related articles. I got the distinct impression that not only was he going to vacation in our forest areas, but he wanted me to write about the industry while he was gone.

Lumber and wood products is an industry plagued by forest fires, environmental pressures, uncertain timber supplies, numerous regulations, and strikes. As has been said before, it is a rural industry with urban problems.

It is also an exciting industry. Employment Division staff visited a newly renovated, computerized sawmill last year. We wanted to see the various emerging occupations in order to track industry changes in our current and occupational employment statistics programs. It was fascinating to watch the laser mechanisms in action: shooting red laser lights across boards to show the saw operator where to make the cuts. It was amazing to see the enormous logs so quickly become lumber, veneer and plywood. We watched giant logs rotate in the plywood mill lathe as it shaved off great rolls of veneer. We learned how the company was working smarter: after computerization, they were capable of higher productivity with 25 percent fewer workers.

Occupationally, the logging industry is rather colorful. It is characterized by such occupations as catskinner (not kitty-cats, but caterpillar drivers), hookers (they put hooks in logs to pull them along), fallers and buckers, chasers, and whistle punks. I even assigned an occupational code to a logging pimp awhile back. The conversation I had with the company owner was memorable.

"Are these all the occupations you employ?"

"Well, no, there's one other guy."

"What does he do?"

"Well, ma'am...we call him the pimp."

I wondered--was this guy pulling my leg, or what?

"I'm almost afraid to ask...what does he do?"

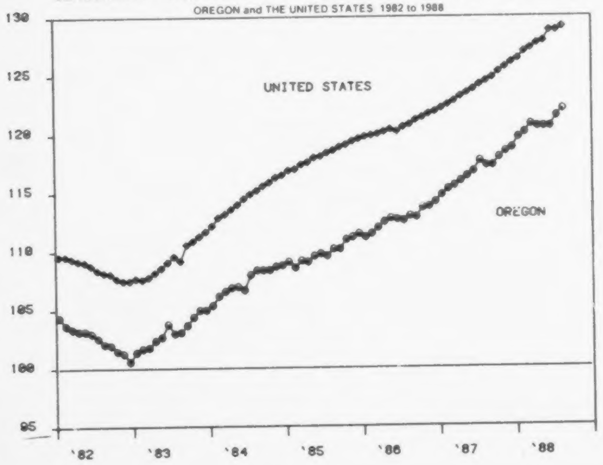
"Well, he gets the logs for us, ma'am."

Speaking of lumber, the average FOB mill realization (i.e. "Free on board" price of lumber ready for shipment) is up in the coast region of Washington and Oregon, according to **Western Lumber Facts**, the newsletter of the Western Wood Products Association (see the related graph). Prices of coastal Douglas fir and Hemlock/White fir over the first half of 1988 are up over last year, with a total average change of 9.7 percent. Green items showed the largest price increases.

Comparing the first five months of 1988 with 1987, softwood log exports are up 36.5 percent in Oregon, 37.9 percent in Washington, and 145.3 percent in California. Total U.S. softwood lumber exports are up 31.7 percent; lumber exports to the Japanese are up 39.5 percent. (Please refer to the U.S. Softwood Log Exports graphs.)

SEASONALLY ADJUSTED NON-AG WAGE & SALARY EMPLOYMENT INDEXES

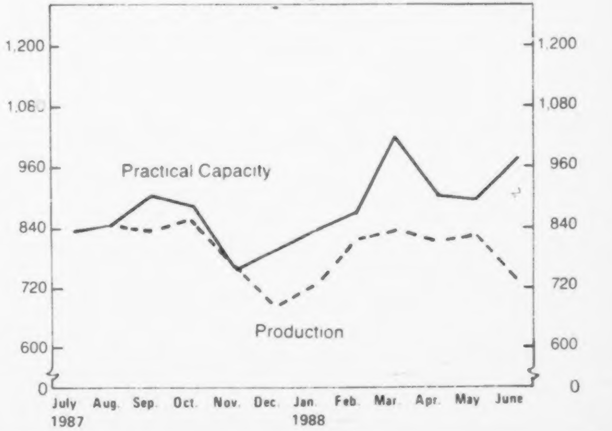
OREGON and THE UNITED STATES 1982 to 1988



PRODUCTION COMPARED TO PRACTICAL CAPACITY BY MONTH

(In Million Board Feet)

Coast Region



Coastal lumber production in the first half of 1988 is down 13.5 percent from the same period a year ago. This level of production was 86.5 percent of practical capacity. The Production as a Percent of Practical Capacity Graph shows lumber production in the coast region as a percent of the highest actual production reached in any month, including the current month, during the last five calendar years.

The August 31st **Marple's Business Newsletter** talks about the battle over public timberland which supplies most of the raw material used by the Pacific Northwest forest industry. Reasons for the announced closure of the 40-year-old Medford Corporation Plywood Mill in Grants Pass were discussed. While Medford Corporation had the capital to upgrade the plant, they were plagued by environmental protests and appeals which were making public timber increasingly scarce. Bob Kellso, Medford President, was quoted as asking, "How can you put money in if you can never get to the wood?"

I began to wonder: who owns Oregon's forests? The Department of Forestry provided me with a chart which shows Oregon's Forest Land Base Data (updated 1/88). There are a total of 28.3 million acres of forest lands in Oregon. This is 9.6 percent below the number of acres in 1952. About 58 percent of Oregon's forests are owned by the federal government. Another 36 percent are owned by private individuals and industries. I was surprised to learn that the State of Oregon owns a mere 3 percent of Oregon's forests. Counties, municipalities, and the Bureau of Indian Affairs (BIA) own another 2 percent.

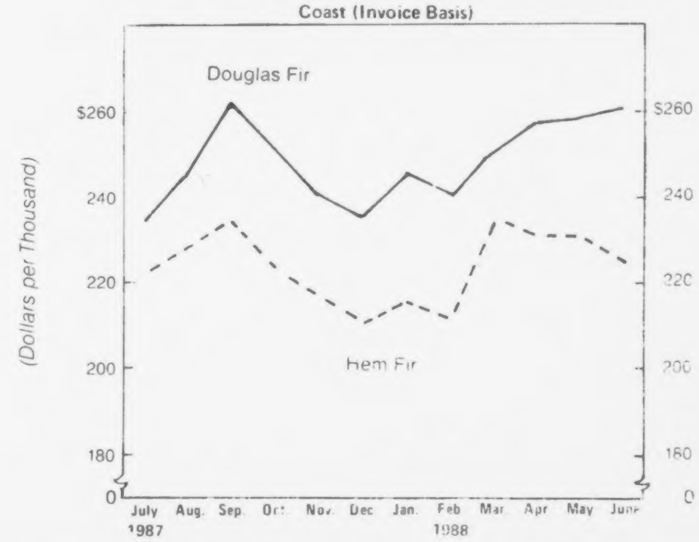
In terms of commercial timberland (forest land capable of producing 20 cubic feet or more per acre per year of industrial wood, and not withdrawn from timber utilization), the percentages are virtually identical to those listed above. Commercial timberland now accounts for 22.4 million acres, or 12.8 percent less than in 1952.

The federal government owns 91 percent of the 2.1 million acres of timberland that is reserved (private or public land withdrawn from timber production or utilization through statute, ordinance, or administrative order but which otherwise qualifies as timberland). Nearly 5 percent is owned by counties, municipalities, and the BIA; 4 percent by the State of Oregon; and only 1,000 acres (.05 percent) is owned by private individuals and industries. The number of reserved timberland acres is 110.5 percent above the number of acres that were reserved in 1952.

Concerning Oregon wilderness areas on national forests, there were 1.3 million acres available prior to the Wilderness Act of 1984. In 1986, there were nearly 2.2 million acres of Oregon wilderness areas on national forests.

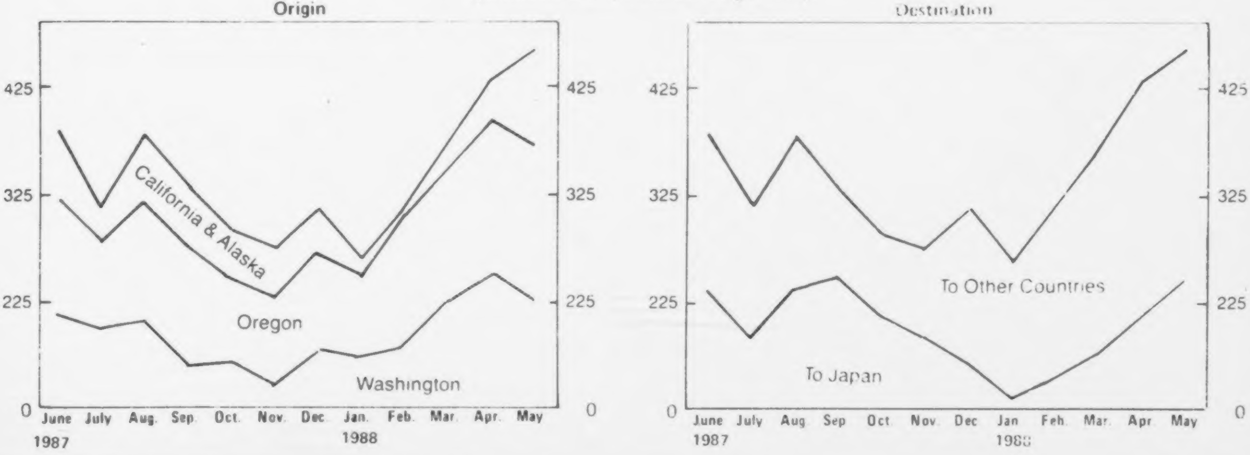
In closing, I can't help but mention that the Burgin house was recently resided with fresh, clean, sweet-smelling natural cedar siding--#2 grade lap siding, to be precise. Other types of siding were considered--aluminum, vinyl, steel--but we decided in favor of the cedar. There is something distinctively Oregonian about owning a house with real wood siding. We left it natural, unpainted, unstained, because we like the rustic look of the wood. □

AVERAGE (FOB MILL) REALIZATION FOR MAJOR SPECIES



UNITED STATES SOFTWOOD LOG EXPORTS

(In Million Feet, Scribner Log Scale)



RESIDENT OREGON LABOR FORCE

	AUG.[1] 1988	JUL.[2] 1988	CHANGE	%CHANGE	AUG.[5] 1987
CIVILIAN LABOR FORCE[3]	1,429,400	1,434,200-	4,800-	0.3	1,399,200
UNEMPLOYMENT	76,500	79,400-	2,900-	3.7	71,200
PERCENT OF LABOR FORCE	5.4	5.5	XXX	XXX	5.1
SEASONALLY ADJUSTED PERCENT	6.1	5.9	XXX	XXX	5.8
TOTAL EMPLOYMENT[4]	1,352,900	1,354,800-	1,900-	0.1	1,328,000

Preliminary

Revised

Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job holding and commuting.

Includes nonagricultural wage and salary, self employed, unpaid family workers, domestics, farm workers, and labor disputants.

Due to revised estimating procedures between December 1987 and January 1988, data for 1988 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	AUG.[1] 1988	JUL.[2] 1988	AUG. 1987	CHANGE FROM JUL. 1988	CHANGE FROM AUG. 1987
TOTAL[3]	1,147,800	1,135,700	1,101,600	12,100	46,200
WAGE & SALARY EMPLOYMENT INDEX[4]	122.1	121.5	117.2	XXX	XXX
TOTAL MANUFACTURING	223,100	215,800	216,500	7,300	6,600
DURABLE GOODS	157,400	156,300	153,400	1,100	4,000
LUMBER & WOOD PRODUCTS	68,500	68,000	70,300	500	-1,800
LOGGING & SAWMILLS	34,400	34,400	36,500	0	-2,100
VENEER & PLYWOOD	17,000	16,800	17,800	200	-800
MILLWORK & STRUCTURAL WOOD	11,500	11,300	10,600	200	900
MOBILE HOMES	1,800	1,700	1,500	100	300
OTHER WOOD PRODUCTS	3,800	3,800	3,900	0	-100
FURNITURE AND FIXTURES	2,600	2,600	2,500	0	100
STONE, CLAY, GLASS & CONCRETE	4,000	3,800	3,700	200	300
PRIMARY METALS	10,500	10,400	9,600	100	900
BLAST FURNACES, IRON & STEEL	6,100	6,100	5,700	0	400
NONFERROUS METALS	4,400	4,300	3,900	100	500
FABRICATED METALS	11,300	11,200	10,600	100	700
FABRICATED STRUCTURAL METALS	5,100	5,000	4,800	100	300
OTHER FABRICATED METALS	6,200	6,200	5,800	0	400
MACHINERY	16,300	16,100	15,600	200	700
ELECTRICAL EQUIPMENT & SUPPLIES	15,400	15,200	13,800	200	1,600
TRANSPORTATION EQUIPMENT	13,600	13,700	11,800	-100	1,800
INSTRUMENTS & RELATED PRODUCTS	11,800	11,800	12,100	0	-300
MISCELLANEOUS MANUFACTURING	3,400	3,500	3,400	-100	0
NONDURABLE GOODS	65,700	59,500	63,100	6,200	2,600
FOOD & KINDRED PRODUCTS	30,900	24,900	29,600	6,000	1,300
CANNING & PRESERVING	19,700	13,800	18,600	5,900	1,100
OTHER FOOD PRODUCTS	11,200	11,100	11,000	100	200
TEXTILE MILL PRODUCTS	1,900	1,900	1,800	0	100
APPAREL	3,000	2,900	2,500	100	500
PAPER & ALLIED PRODUCTS	9,000	9,100	9,400	-100	-400
PRINTING & PUBLISHING	13,500	13,300	12,800	200	700
CHEMICALS & ALLIED PRODUCTS	2,200	2,200	2,100	0	100
PETROLEUM REFINING	500	500	500	0	0
RUBBER & PLASTIC PRODUCTS	4,300	4,300	3,900	0	400
LEATHER PRODUCTS	400	400	500	0	-100
TOTAL NONMANUFACTURING	924,700	919,900	885,100	4,800	39,600
MINING & QUARRYING	1,500	1,500	1,500	0	0
CONSTRUCTION	41,400	40,200	39,200	1,200	2,200
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	59,700	59,400	58,500	300	1,200
TRANSPORTATION	38,100	37,800	37,000	300	1,100
RAILROAD	3,800	3,800	4,000	0	-200
TRUCKING & WAREHOUSING	22,100	22,000	21,600	100	500
OTHER TRANSPORTATION	12,200	12,000	11,400	200	800
COMMUNICATIONS	12,800	12,700	12,600	100	200
UTILITIES	8,800	8,900	8,900	-100	-100
TRADE	299,400	296,800	282,900	2,600	16,500
WHOLESALE TRADE	75,600	74,700	71,600	900	4,000
DURABLE GOODS	44,800	44,300	41,600	500	3,200
NONDURABLE GOODS	30,800	30,400	30,000	400	800
RETAIL TRADE	223,800	222,100	211,300	1,700	12,500
GENERAL MERCHANDISE	28,400	28,000	27,200	400	1,200
FOOD STORES	38,400	37,600	34,700	800	3,700
AUTO DEALERS & SERVICE STATIONS	27,900	27,800	26,700	100	1,200
OTHER RETAIL TRADE	129,100	128,700	122,700	400	6,400
FINANCE, INSURANCE, & REAL ESTATE	74,800	74,700	72,700	100	2,100
BANKING & CREDIT AGENCIES	24,300	24,400	23,800	-100	500
OTHER FINANCE, INSURANCE, & REAL ESTATE	50,500	50,300	48,900	200	1,600
SERVICES	256,800	254,800	243,900	2,000	12,900
HOTELS & PERSONAL SERVICES	28,500	28,100	27,600	400	900
HEALTH SERVICES	78,700	77,700	75,300	1,000	3,400
OTHER SERVICES	149,600	149,000	141,000	600	8,600
GOVERNMENT	191,100	192,500	186,400	-1,400	4,700
FEDERAL GOVERNMENT	31,900	31,900	31,400	0	500
STATE GOVERNMENT	55,600	55,700	53,700	-100	1,900
EDUCATION	19,400	19,900	19,200	-500	200
OTHER STATE	36,200	35,800	34,500	400	1,700
LOCAL GOVERNMENT	103,600	104,900	101,300	-1,300	2,300
EDUCATION	55,600	57,100	55,100	-1,500	500
OTHER LOCAL	48,000	47,800	46,200	200	1,800
LABOR MANAGEMENT DISPUTES	3,800	4,900	100	-1,100	3,700

Preliminary

Revised

Includes full and part time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self employed, private household workers and armed forces excluded. Note: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's Annual Average Employment (774,300) and that of 1977 (936,900).

A COMPASS READING

W.E. Hunter

When a sea captain charts course for distant shores, a compass reading is always necessary before much of anything else takes place. Fixing the proper coordinates first of all requires recognition of one's own location. During the past year I have been mapping our location in an effort to set the proper course as we set sail. As Administrator and navigator for the Oregon Employment Division, I would like to share a few of my thoughts on what course we as an agency need to steer.

Any captain who sets sail with an untrained and untested crew courts disaster in the voyage.

Charting economic tides and currents is a job I'm sure most sea captains would rather avoid. Facing a strong Nor'easter to them would be preferable to sailing into unknown waters filled with financial reefs and shoals.

Standing at the helm, the winds of change blow in swirling motions around the ship. Because of that, it is always hard to determine just how much sail to unfurl in order to catch and maintain a steady breeze. In situations like these, it is a wise captain that knows he has a crew he can rely upon to assist him in keeping that ship on course. One of the reasons he feels so sure is the knowledge that his crew has had all the necessary training and experience to pilot the vessel. Any captain who sets sail with an untrained and untested crew courts disaster in the voyage. It is the captain's responsibility, then, to ensure the crew is both able to meet the requirements of the trip and has the desire to perform their duties in such a way as to ensure the voyage is a success. Certainly a tall order, but one that is imperative if a ship is to find its way through to safe waters.

Here in the Employment Division, we have made some course changes and have plotted a new direction that will ultimately lead to an agency better able to respond to an ever changing environment. We as an agency are moving forward to greet the year 2000 with a workforce focused on the responsibilities inherent in the future. We have a new mission statement that I think articulates very well our active commitment to Oregon, its residents, and the future. The mission of the Employment Division reads, "To improve the quality of life of Oregonians by assisting workers in finding suitable jobs, providing unemployment insurance benefits to qualified claimants, supplying labor market information and participating in the economic development of Oregon".

The mission of the Employment Division is to improve the quality of life of Oregonians by assisting workers in finding suitable jobs, providing unemployment insurance benefits to qualified claimants, supplying labor market information and participating in the economic development of Oregon.

Translated into what the Employment Division will do to achieve that goal consider the following;

- In providing employment services, we are the largest single source of job openings in the State.
- We have the largest source of job ready applicants.
- We possess a computerized system whereby we can match jobs to qualified applicants anywhere in the State.
- Our services include a Professional Placement Service to employers and applicants in such diverse fields as information systems, engineering, and medical specialties.
- We also provide special programs to veterans, older workers, handicapped, youth, and many other groups identified as requiring our special attention.

In the area of Labor Market Information, we are unparalleled in supplying:

- A major source of reliable statewide economic information.
- Labor force and unemployment estimates.
- Occupational employment projections, occupational supply/demand analysis, and demographic data to enhance economic strategies throughout the State.
- Major analysis of Oregon's ever-changing economy and labor force.
- Specialized economic impact analysis to enable business and government to make informed decisions on our State's future developmemt.

As the sole provider of unemployment insurance benefit payments to eligible claimants, we seek to maintain the purchasing power within the State and through that, assist in stabilizing the State's economy.

Mindful of those services and the fact that we all stand at the threshold of the 21st century, what does our commitment to the future mean to you? It certainly means that you should expect us to be fully capable of handling the concerns, questions, and expectations that will arise as the next century approaches. We have every intention of being a responsive, proactive agency dedicated to making Oregon and its respective communities better able to move ahead. Our vision is of an agency culturally aware, professionally dedicated, and equipped with the tools necessary to do the job.

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These are the provisions we must bring aboard if our vessel is to set sail. Without those stores safely stowed below decks, our ship may appear ready for departure, but let a serious squall develop and we will soon find how quickly an ill-equipped ship can flounder and sink. It is certainly my intention to make sure our ship is fully provisioned, ably crewed, and a steady course set and mapped to a new port. Commitment to both crew and ship is essential to ensure a safe voyage. That is a captain's job. ☐

EMPLOYER COSTS FOR EMPLOYEE COMPENSATION

Don Steward

In June of 1988 the U.S. Bureau of Labor Statistics released its report on Employer Costs for Employee Compensation. According to the report, private employer costs for employee compensation in March of 1988 averaged $13.79 per hour; $10.02 or 72.7 percent for straight-time wages and salaries, and $3.77 or 27.3 percent for benefit costs.

Legally required benefits (e.g., social security, workers' compensation, unemployment insurance) averaged $1.22 per hour worked--the largest cost to employers among the benefit categories. Legally required benefits accounted for 8.8 percent of total compensation costs and about a third of all benefit costs. Social security, the largest legally required benefit, cost employers, on average, 81 cents per hour worked--5.9 percent of all compensation costs and about a fifth of all benefit costs.

Compensation costs averaged more for workers in goods-producing industries than for those in service-producing industries.

Other important benefit categories and their average costs were: Paid leave (97 cents), insurance (78 cents), pensions and savings (45 cents), and supplemental pay (33 cents), which includes premium pay for overtime, shift pay, nonproduction bonuses, and lump-sum payments provided in lieu of wage increases.

Compensation costs varied widely by industry and occupational group, union status, and geographic region.

Compensation costs averaged more for workers in goods-producing industries ($16.42 per hour worked) than for those in service-producing industries ($12.72). Among service-producing industries, compensation costs ranged from $8.00 in retail trade to $20.50 in transportation and public utilities. Among the goods-producing industries, compensation costs ranged from $14.55 in nondurables manufacturing to $17.44 in durables manufacturing.

Among occupational categories, average compensation costs were higher for white-collar workers ($15.97) than for blue-collar workers ($13.87) and service workers ($6.76). However, the level of compensation varied considerably by occupational group within these categories.

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS[1]

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	July[2] 1988	June[3] 1988	July 1987	July[2] 1988	June[3] 1988	July 1987	July[2] 1988	June[3] 1988	July 1987
TOTAL MANUFACTURING[4]	$419.25	$419.61	$402.98	39.0	39.4	38.6	$10.75	$10.65	$10.44
Durable Goods	427.98	429.72	413.29	39.3	39.9	39.1	10.89	10.77	10.57
Lumber & Wood Products	427.30	431.14	406.15	38.6	39.7	38.1	11.07	10.86	10.66
Logging & Sawmills	467.83	460.60	428.25	38.6	39.1	37.5	12.12	11.78	11.42
Veneer & Plywood	409.70	427.87	388.41	37.9	40.1	37.6	10.81	10.67	10.33
Millwork & Structural	349.38	370.31	377.07	39.3	41.1	41.3	8.89	9.01	9.13
Mobile Homes	314.71	335.71	309.30	37.2	38.9	37.4	8.46	8.63	8.27
Other Wood Products	411.29	390.17	400.40	39.7	38.9	38.5	10.36	10.03	10.40
Furniture & Fixtures	312.74	319.79	345.44	35.1	36.8	36.4	8.91	8.69	9.49
Primary Metals	506.99	513.28	505.26	41.9	41.9	42.0	12.10	12.25	12.03
Fabricated Metals	398.96	393.26	369.74	41.3	40.5	39.8	9.66	9.71	9.29
Machinery (Ex Electrical)	438.37	432.53	433.16	39.6	39.5	39.2	11.07	10.95	11.05
Nondurable Goods	397.17	389.34	379.38	38.3	37.8	37.6	10.37	10.30	10.09
Food & Kindred Products	323.88	310.90	298.94	37.4	37.1	36.5	8.66	8.38	8.19
Canning & Preserving	278.96	253.68	254.18	36.9	36.5	35.8	7.56	6.95	7.10
Other Food Products	400.81	398.15	401.28	38.1	38.1	38.0	10.52	10.45	10.56
Textile Mill Products	218.99	239.08	213.48	30.5	34.4	34.6	7.18	6.95	6.17
Apparel	206.64	229.42	225.75	31.5	36.3	37.5	6.56	6.32	6.02
Paper & Allied Products	667.37	645.39	654.46	44.7	41.8	41.5	14.93	15.44	15.77
Printing & Publishing	435.93	408.32	415.80	37.1	35.2	36.0	11.75	11.60	11.55
Construction[4]	546.06	534.56	494.13	38.0	37.2	36.2	14.37	14.37	13.65
Communications & Utilities[5]	543.02	532.18	512.40	41.9	41.0	40.0	12.96	12.98	12.81
Trade[5]	314.87	305.71	292.41	35.7	34.7	34.2	8.82	8.81	8.55
Wholesale Trade	414.29	402.42	389.79	38.9	38.0	36.6	10.65	10.59	10.65
Retail Trade	263.16	255.42	244.53	34.0	33.0	33.0	7.74	7.74	7.41
Banking & Insurance[5]	343.77	329.49	302.87	38.8	37.4	35.8	8.86	8.81	8.46
State & Local Government	401.35	365.28	384.40						

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[1] *Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.*

[2] *Preliminary*

[3] *Revised*

[4] *Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.*

[5] *Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.*

In all private industry, benefits made up a larger proportion of compensation costs for blue-collar workers as a whole (30.8 percent) than for white-collar workers (25.9 percent) and service workers (23.1 percent). This relationship held when occupational groups within the blue-collar and white-collar categories were compared.

Benefits also accounted for a larger proportion of total compensation costs for blue-collar workers than for white-collar workers within both goods- and service-producing industries. In goods-producing industries, benefits made up 31.8 percent of compensation costs for blue-collar workers, compared with 28.0 percent for white-collar workers. The corresponding proportions in service-producing industries were 29.1 percent and 25.3 percent.

Average compensation costs were higher for white-collar workers than for blue collar workers and service workers.

Compensation costs averaged more for union workers ($18.16) in private industry than for nonunion workers ($12.90). In addition, benefits made up a larger proportion of compensation costs for union workers (33.7 percent) than for nonunion workers (25.5 percent). Union and nonunion cost levels reflect a variety of influences, including coverage by a collective bargaining agreement and variation in distribution of union and nonunion workers among occupations and industries.

Compensation costs varied by region, ranging from $15.50 in the Northeast to $12.23 in the South. The proportion of compensation costs made up of benefits, however, was similar among the four regions: 28.9 percent in the Midwest, 27.8 percent in the Northeast, 26.8 percent in the West, and 25.9 percent in the South.

The rate of increase for employee benefits in private industry has dropped substantially since 1980. The 12-month rate of change for benefits as measured by the Bureau of Labor Statistics trended downward from 11.8 percent in December 1980 to 3.5 percent in December 1987.

The slowdown in the rate of increase for benefit costs was strongly influenced by reduced rates of wage and salary gains - from 9.0 percent in 1980 to 3.3 percent in 1987. Benefits closely tied to wage movement, such as paid leave, overtime pay and Social Security account for almost two-thirds of the total benefit costs. ☐

WOMEN WORKERS IN OREGON INDUSTRY

Graham Slater

The issue of "women in the workplace" continues to be one of the most important facing employers and planners today. Workplace relationships, workload and pay equity, and provision of childcare services are three examples of current topics of discussion.

The Current Employment Statistics (CES) program of the Oregon Employment Division collects monthly data from roughly 7,000 of the State's employers. While the main focus of the survey is employment and earnings, data are also compiled on the proportion of female workers within each industry. Using data on women workers' employment from the May 1988 survey, and combining it with 1987 annual average data on all employees covered by unemployment insurance in the State, some interesting facts become apparent. (The comments below refer to the private sector.)

- Based on the May survey, women workers make up 45.0% of payroll employment in Oregon.
- Of the six major industry sectors identified on the accompanying graphs, female employees garner more than 50% of the jobs in two - finance, insurance, and real estate; and services.
- Female representation remains low in the traditionally male-dominated sectors - construction & mining (10.6%) and manufacturing (24.8%).
- Looking at individual industries (broken out at the two-digit Standard Industrial Classification level) the highest proportion of female employees comes in apparel &

OREGON'S TOP INDUSTRIES

sorted by:

Industry	Percent Female	Average Weekly Wage
Highest percent female:		
Apparel & accessory stores	82.7	$197.63
Health services	81.3	394.17
Banking	78.5	348.31
Credit agencies other than banks	75.4	401.59
Apparel manufacturing	74.8	275.89
Lowest percent female:		
Petroleum refining & related products	7.8	$503.48
Water transportation	8.7	740.64
Construction - special trade contractors	9.8	398.63
Mining	10.2	430.77
Heavy construction	11.2	517.03
Highest weekly wage:		
Security & commodity brokers	44.2	$1,000.06
Water transportation	8.7	740.64
Paper & allied products	18.3	708.03
Electric, gas, & sanitary services	27.3	650.02
Primary metal industries	16.7	581.12
Lowest weekly wage:		
Eating & drinking places	56.7	124.82
Hotels & other lodging places	59.3	157.31
Motion pictures	42.1	173.43
Personal services	64.8	192.79
Amusement & recreation services	45.3	194.61

accessory stores (82.7%), followed closely by health services (81.3%).

- At the other end of the spectrum, females hold only 7.8% of Oregon's jobs in petroleum refining & related products, and 8.7% in water transportation.
- When Oregon's industries (at the two-digit Standard Industrial Classification level) are ranked with highest weekly wages at the top, not one of the top ten industries employs more than 50% women. In contrast, ranking the same industries starting with lowest weekly wage gives "female-majority" industries six of the first ten places.

Bearing in mind the private sector average weekly wage of $353.95 (covered employment, 1987 annual average), the accompanying tables provide some "highlights".

While these facts and figures may be interesting in their own right, there is a secondary motive - drawing attention to newly-available documentation on female employment trends - behind this article. **Oregon Labor Trends** rarely promotes publications from other private or government agencies, but a recent report from the Oregon Department of Education merits mention. Titled **OREGON WOMEN**, the publication provides an excellent reference point for almost any question regarding demography, education, employment, income, and other issues as they pertain to women. Copies can be obtained by calling Hilda G. Thompson at 378-2182.

In addition, an annual Employment Division publication entitled **CAREERS** will be available in mid-October. A lengthy discussion of women in the workplace will be included. Susan Bell (378-8657) will be able to provide copies to interested readers. ☐

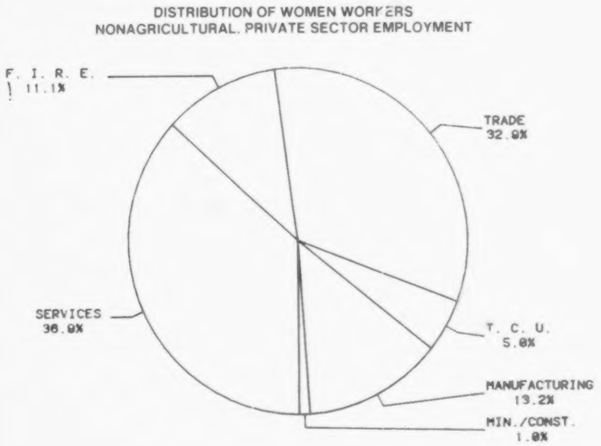
JSEC SEMINARS

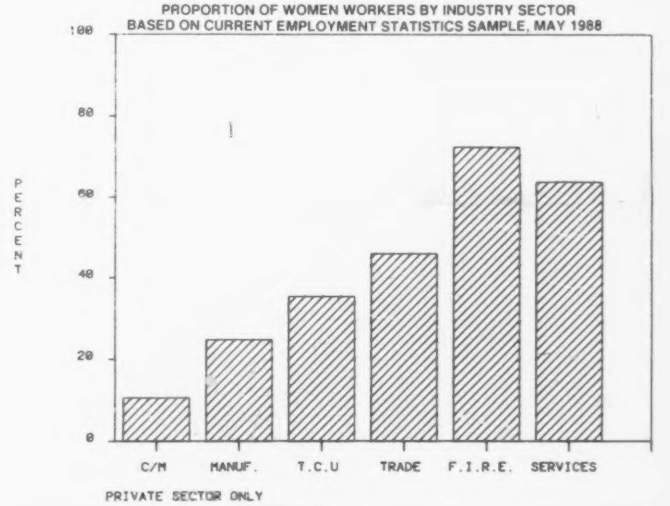
WORKERS' COMPENSATION - A WALK THROUGH THE NEW LAW
Tuality Community Hospital, Hillsboro
October 11 . . . 7:30 AM to 12:00 Noon
Call Lee Jones, phone 681-0210

EMPLOYEE MOTIVATION - "GETTING THE BEST"
The Inn at Hood River Village Resort,
October 11 . . . 8:00 AM to 11:30 AM
Call Teresa Gardipee, phone 296-1173
or Bob Watkins, phone 296-5435

PREVENTING AND DEFENDING EMPLOYEE CLAIMS AND COMPLAINTS Holiday Inn, Wilsonville
October 25 . . . 8:45 AM to 4:00 PM
Call Cathie Moravec, phone 657-2078
or Larry Liebe, phone 657-2074

EMPLOYMENT AT WILL
Chumaree Comfortel, Salem
October 27 . . . 7:00 AM to 12:00 Noon
Call Joyce Wilson, phone 378-6394 or
Russ Campbell, phone 472-5118


DISTRIBUTION OF WOMEN WORKERS
NONAGRICULTURAL, PRIVATE SECTOR EMPLOYMENT


PROPORTION OF WOMEN WORKERS BY INDUSTRY SECTOR
BASED ON CURRENT EMPLOYMENT STATISTICS SAMPLE, MAY 1988

OREGON LABOR TRENDS

OREGON LABOR TRENDS is published monthly by the Research and Statistics Section of the Oregon Employment Division, W. E. Hunter, Administrator.

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